# *Swiss Life Loan Fund (LUX) S.A., SICAV-SIF*

A Luxembourg Specialised Investment Fund (fonds d'investissement specialisé) under the form of a common public limited company (société anonyme)

Registered pursuant to the Luxembourg law of 13 February 2007 relating to specialised investment funds, as amended or supplemented from time to time

**Confidential Private Placement Memorandum**
**March 2023**

## IMPORTANT INFORMATION

The Shares referred to in this Placement Memorandum are offered solely on the basis of the information contained in this Placement Memorandum and in the reports referred to in this Placement Memorandum. In connection with the offer hereby made, no person is authorised to give any information or to make any representations other than those contained in this Placement Memorandum and the documents referred to in this Placement Memorandum, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information contained in this Placement Memorandum shall be solely at the risk of the purchaser.

The sale of the Shares in the Fund (as defined hereafter) is restricted to Eligible Investors subscribing either on their own behalf or on behalf of Eligible Investors (as more fully described hereafter under “Restrictions of the ownership”).

The Fund qualifies as an alternative investment fund (AIF) under the Luxembourg law of 12 July 2013 on alternative investment fund managers, as may be amended from time to time (the “**AIFM Law**”), and amending the 2007 Law. The functions of alternative investment fund manager of the Fund are assumed by the AIFM.

This Placement Memorandum may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular, the Shares in the Fund have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**1933 Act**”) or the laws of any state and may not be directly or indirectly offered or sold in the United States or to any United States Person (each as defined below). The Fund has not been and will not be registered under the United States Investment Company Act of 1940 (as amended) (the “**1940 Act**”).

In making an investment decision, Shareholders and prospective investors must rely on their own examination of the Fund, any Sub-Fund and the Shares and the terms of the offering, including the merits and risks involved. The Fund draws the attention of the investors to the fact that any investor will only be able to fully exercise his/her investor rights directly against the Fund, notably the right to participate in a general meeting of Shareholders if the investor is registered himself/herself and in his/her own name in the register of Shareholders. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights. Shareholders and prospective investors should consult a suitably qualified professional such as a stockbroker, bank manager, lawyer, accountant or other financial adviser before making any investment decision.

Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence, domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.

## NOTICES TO RECIPIENTS WITHIN THE SCOPE OF THE AIFMD

Shares are reserved for Eligible Investors. Prospective investors who are residents in, or are governed or otherwise concerned by the laws of, any of the countries referred to below should pay particular attention to the statements appearing below with respect to such country.

The Placement Memorandum will be filed by the AIFM with the Luxembourg financial supervisory authority, the CSSF, as part of the notification process under the AIFM Law in order to make use of the European cross-border authorisation procedure (known as the European passport) regarding the marketing to Professional Investors domiciled in or with a registered office in a jurisdiction which is in the EEA. The CSSF will notify the supervisory authorities of the respective countries of the marketing of the Fund. For the avoidance of doubt, any Shares must not be distributed to or subscribed by retail investors within the meaning of article 4 para. 1 lit. (aj) of the AIFMD.
If a country does not apply the AIFMD, a separate authorisation takes place.

## PRIIP

The Shares are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in the EEA. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Shares or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Shares or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

**For the following Sub-Funds, no notification as referred in section 323 of the Investment Code (Kapitalanlagegesetzbuch – KAGB) has been filed so that shares of these Sub-Funds may not be marketed to**

**investors in Germany:**

- **Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans I**
- **Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans II**
- **Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans III**
- **Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans IV**

## ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND

### 1. Representative

The representative in Switzerland is Swiss Life Asset Management AG, General Guisan-Quai 40, 8002 Zurich (the "**Representative**").

### 2. Paying agent

The paying agent in Switzerland is UBS Switzerland AG, Bahnhofstrasse 45, 8098 Zurich.

### 3. Place where the relevant documents may be obtained

The Offering Memorandum, the Articles of Incorporation as well as the latest reports may be obtained free of charge from the representative.

### 4. Place of performance and jurisdiction

In respect of the Shares offered in Switzerland, the place of performance is the registered office of the Representative. The place of jurisdiction is at the registered office of the Representative or at the registered office or place of residence of the investor.

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# Definitions

All references in the Placement Memorandum to:

- "**1915 Law**" means the Luxembourg law of 10 August 1915 on commercial companies, as amended;
- "**1933 Act**" means the United States Securities Act of 1933 (as amended);
- "**1940 Act**" means United States Investment Company Act of 1940 (as amended);
- "**2007 Law**" means Luxembourg law of 13 February 2007 concerning specialised investment, as amended from time to time;
- "**2010 Law**" means the Luxembourg law of 17 December 2010 relating to undertakings for collective investments, as amended from time to time;
- "**Absorbed Entity**" shall have the meaning ascribed to it in section 20 of this Placement Memorandum "Liquidation and Merger";
- "**Administrative Agent**" shall mean the Bank of New York Mellon SA/NV, Luxembourg Branch as further described in section 7 of this Placement Memorandum "Administration";
- "**AIFM**" shall mean Swiss Life Asset Managers Luxembourg (formerly Swiss Life Fund Management (LUX) S.A.) as further described in section 5 of this Placement Memorandum "Management of the Fund";
- "**AIFMD**" means the Directive 2011/61/EU of the European Parliament and of the Council on alternative investment fund managers, dated 8 June 2011, as may be amended from time to time;
- "**AIFM Law**" means the Luxembourg law of 12 July 2013 on alternative investment fund managers, as may be amended from time to time;
- "**AIFM Regulation**" means the Commission Delegated Regulation (EU) No 231/2013 dated 19 December 2012, supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
- "**Appendix**" shall mean an appendix of this Placement Memorandum relevant to a specific Sub-Fund;
- "**Application Form**" shall mean a reference to the application form and/or any other similar document to be completed and submitted by investors to the Registrar and Transfer Agent in order to apply for Shares;
- "**Articles of Incorporation**" shall mean the articles of incorporation of the Fund, as may be amended from time to time;
- "**Article 8 Product**" shall mean that the Sub-Fund promotes environmental and social characteristics but does not have as its objective a sustainable investment;
- "**Board of Directors**" shall mean the board of directors of the Fund.
- "**Borrower**" has the meaning ascribed to it in the relevant Sub-Fund Appendix;
- "**Business Day**" means every day which is a full bank business day in Luxembourg;
- "**CD Rate**" means the certificate of deposit rate;
- "**Classes**" or individually "**Class**" shall have the meaning ascribed to it in section 2 "The Fund";
- "**CRS**" shall mean the Common Reporting Standard for Automatic Exchange of financial account information in tax matters as set out in the CRS Law (as this is defined in the Section 27 "Tax Status");
- "**CSSF**" shall mean a reference to the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial market;
- "**Dealing Day**" any day on which (i) the Net Asset Value per Share of each Class is calculated/finalised with reference to a specific Valuation Day and Valuation Point and (ii) on or about which Shares may be issued, redeemed or converted;
- "**Depositary**" shall mean the Bank of New York Mellon SA/NV, Luxembourg Branch as further described in section 6 of this Placement Memorandum "Depositary";
- "**Depositary Agreement**" shall mean the agreement entered into between the Fund and the Depositary governing the appointment of the Depositary, as may be amended or supplemented from time to time;
- "**Director**" shall mean a member of the Board of Directors;
- "**EEA**" means the European Economic Area;
- "**Eligible Investor**" means any investor (i) situated in the EU or EEA qualifying as eligible investor within the meaning of article 2 of the 2007 Law and also as Professional Investor or (ii) situated outside the EU or EEA qualifying as eligible investor within the meaning of article 2 of the 2007 Law, if not defined differently in the relevant Sub-Fund Appendix.
- **"ESG Criteria"** means environmental, social and corporate governance (ESG) criteria which may be used by a Sub-Fund for the purpose of responsible investment;
- "**EUR**" and to "**Euro**" shall mean references to the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Economic Community (signed in Rome on 25th March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7th February 1992);
- "**FATCA**" means the Foreign Account Tax Compliance Act provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act on 18 March 2010, set out in sections 1471 to 1474 of the code, and any U.S. Treasury regulations issued thereunder, Internal Revenue Service rulings or other official guidance pertaining thereto;
- "**First Dealing Day**" shall have the meaning ascribed to it in the relevant Sub-Fund Appendix;
- "**Founding Share**" means Shares which holder(s) is/are entitled to propose to the general meeting of Shareholders of the Fund a list containing the names of candidates for the position of Directors (the "**List of**

**Candidates**"). The majority of Directors shall be appointed out of such a List of Candidates.

The List of Candidates submitted by the holder(s) of the founding shares shall indicate a number of candidates equal to at least twice the number of Directors to be appointed out of such a list.

Such Founding Shares shall only be held by Swiss Life Group entities.

Such Founding Shares may be transferred to a non-Swiss Life Group entity or natural person, subject to prior conversion into another Class of Shares not qualifying as Founding Share and subject to the transfer provisions and restrictions foreseen in this Placement Memorandum.

For each new Sub-Fund one or more Founding Shares must be issued and subscribed.

At all times, after the launch of the first Sub-Fund, at least one of such Founding Shares must be and remain being subscribed in at least one Sub-Fund.

- "**Fund**" shall mean a reference to Swiss Life Loan Fund (LUX) S.A., SICAV-SIF an open-ended investment company organised as a société anonyme under the laws of Luxembourg and qualified as a *société d'investissement à capital variable* (SICAV). References to the Fund shall whenever the context requires include reference to the Sub-Fund(s);

- "**Fund Administration Agreement**" shall mean the agreement entered into between the Fund, the AIFM and the Administrative Agent, as may be amended or supplemented from time to time;

- "**Fund Management Agreement**" shall mean the agreement entered into between the Fund and the AIFM, as may be amended or supplemented from time to time;

- "**General Investment Restrictions**" shall have the meaning ascribed to it in section 9 of this Placement Memorandum "General Investment Restrictions";

- "**Identification Documents**" shall mean a reference to the relevant documentation required under the applicable anti money laundering and counter terrorist financing laws and regulations applicable to the Fund and the AIFM (the "**AML/CTF Laws and Regulations**"), and/or any other document as may be required by the Registrar and Transfer Agent or the AIFM from time to time to comply with their obligations under the AML/CTF Laws and Regulations, or any other laws and regulations which may be applicable;

- "**Indemnified Persons**" shall have the meaning ascribed to it in section 33 of this Placement Memorandum "Indemnification";

- "**Infrastructure Debt Asset**" shall have the meaning ascribed to it in the relevant Sub-Fund Appendix;

- "**Initial Offering Period**" shall have the meaning ascribed to it in the relevant Sub-Fund Appendix;

- "**Investment Management Agreement**" shall mean the agreement entered into between the AIFM and an Investment Manager governing the appointment of such Investment Manager, as may be amended or supplemented from time to time;

- "**Investment Manager(s**)" shall mean a reference to the entity(ies) in charge of the portfolio management of the relevant Sub-Fund as disclosed in the Appendix of the concerned Sub-Fund;

- "**Investment Policy**" shall have the meaning ascribed to it in section 4 "Investment Policy of the Sub-Fund(s)";

- "**Investment Restrictions**" shall have the meaning ascribed to it in section 9 of this Placement Memorandum "General Investment Restrictions";

- "**Leverage**" shall have the meaning ascribed to it in relevant Sub-Fund Appendix;

- "**LIBOR**" shall mean the London Inter-Bank Offered Rate;

- "**Liquid Asset(s)**" shall mean cash or cash-like assets which can be converted quickly into cash in an open market, such as, amongst others, commercial paper, certificates of deposit, variable or floating rate notes, banker's acceptances, time deposits and High quality government bonds with a maturity of no more than 3 months (e.g. US T-Bills);

- **"LTA"** shall mean the Luxembourg Tax Authorities;

- "**Management Fee Base**" shall have the meaning ascribed to it in the relevant Sub-Fund Appendix;

- "**Merging Entity**" shall have the meaning ascribed to it in section 20 of this Placement Memorandum "Liquidation and Merger";

- "**Net Asset Value**" or "**NAV**" shall mean the net asset value of the Fund, a Sub-Fund, a Share, as applicable;

- "**Parties**" shall have the meaning ascribed to it in section 17 of this Placement Memorandum "Conflicts of Interest";

- "**Paying Agent**" shall mean the Bank of New York Mellon SA/NV, Luxembourg Branch as further described in section 7 of this Placement Memorandum "Administration";

- "**Personal Data**" shall have the meaning ascribed to it in section 30 of this Placement Memorandum "Data Protection";

- "**Placement Memorandum"** shall mean the offering document of the Fund including all appendices as may be amended from time to time;

- "**Prime Rate**" shall mean the prime rate offered by one or more major United States banks;

- "**Professional Investor**" shall mean an investor which qualifies as a professional within the meaning of Annex

II to Directive 2014/65/EU (so called MiFID II) or may, on request, be treated as such;

- "**Receiving Entity**" shall have the meaning ascribed to it in section 20 of this Placement Memorandum "Liquidation and Merger";

- "**Record Date**" shall have the meaning ascribed to it in section 29 of this Placement Memorandum "Information";

- "**Redemption Cut-Off Time**" shall have the meaning ascribed to it in the relevant Appendix of a Sub-Fund;

- "**Registrar and Transfer Agent**" shall mean the Bank of New York Mellon SA/NV, Luxembourg Branch as further described in section 7 of this Placement Memorandum "Administration";

- "**Regulated Market**" shall mean a market functioning regularly, which is regulated, recognised and open to the public, as defined in Directive 2004/39/EC on markets in financial instruments as amended or supplemented from time to time;

- "**Representative**" shall have the meaning ascribed to it in Schedule I "Additional Information for investors in Switzerland" of this Placement Memorandum;

- "**Senior Loan**" has the meaning ascribed to it in the relevant Sub-Fund Appendix;

- "**SFDR**" shall mean 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 may be amended or supplemented from time to time;

- "**Shareholder**" shall mean a holder of a Share of the Fund;

- "**Shares**" shall mean a reference to any or all, as appropriate, of the shares issued or to be issued in any or all of the Sub-Funds;

- "**SIF**" shall mean specialised investment fund governed by the 2007 Law;

- "**SLIM**" means Swiss Life Investment Management Holding AG;

- "**Specific Investment Restrictions**" shall have the meaning ascribed to it in relevant Sub-Fund Appendix;

- "**Sub-Fund**" shall mean a sub-fund of the Fund;

- "**Subsidiary**" shall mean a Luxembourg or foreign limited liability company, wholly owned or controlled by the Fund in the name and for the account of one or more Sub-Funds;

- "**Subscription Cut-Off Time**" shall have the meaning ascribed to it in the relevant Appendix of a Sub-Fund;

- **"Sustainability Risk"** shall mean an event or situation in the environmental, social or governance field which, if it occurs, could have a material adverse effect, actual or potential, on the value of an investment;

- "**Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans I**" shall mean a reference to a Sub-Fund created under the denomination of Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans I;

- "**Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans II**" shall mean a reference to a Sub-Fund created under the denomination of Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans II;

- "**Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans III**" shall mean a reference to a Sub-Fund created under the denomination of Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans III;

- "**Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans IV**" shall mean a reference to a Sub-Fund created under the denomination of Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans IV;

- "**Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans V**" shall mean a reference to a Sub-Fund created under the denomination of Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans V;

- "**Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – ESG Infrastructure Debt**" shall mean a reference to a Sub-Fund created under the denomination of Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – ESG Infrastructure Debt;

- "**Target Sub-Fund**" shall have the meaning ascribed to it in section 9 of this Placement Memorandum "General Investment Restrictions";

- "**UCI**" shall mean undertaking for collective investment;

- "**USD**" and "**U.S. Dollars**" shall mean references to the currency of the United States of America;

- "**United States Person**" or "**US Person**" shall mean, unless otherwise determined by the AIFM, a person resident in the US, a citizen of the US, a corporation, partnership or other entity created or organised in or under the laws of the US, an estate or trust treated as a resident of the US for income tax purposes, or any person falling within the definition of the term "US Person" under Regulation S promulgated under the 1933 Act or in the 1940 Act;

- **"Up-Front Fees**" shall mean any fees paid by the underwriters to participants/sub-underwriters in relation to Infrastructure Debt Assets;

- "**VAG**" shall mean the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*) as amended from time to time;

- "**VAG-Investor**" means German insurance companies (*Versicherungsunternehmen*), pension pools (*Pensionskassen*), pension funds (*Pensionsfonds*) and other pension schemes (such as *Versorgungswerke*) which are directly or indirectly (in case state law and/or the governing documents of German regulated pension schemes requires this) subject to the provisions of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz* – "VAG") and the Ordinance on the Investment of Restricted Assets of Insurance Companies (*Anlageverordnung*) or the Ordinance on the Investment of Restricted Assets of Pension Funds (*Pensionsfonds-Kapitalanlagenverordnung*) regarding the investment of their restricted assets;

- "**Valuation Day**" shall have the meaning ascribed to it in the relevant Appendix;

- "**Valuation Point**" shall have the meaning ascribed to it in section 15 of this Placement Memorandum and as further specified in the Appendix of each Sub-Fund;

- "**VAT**" shall have the meaning ascribed to it in section 27 of this Placement Memorandum "Tax Status";

- "**Working Fees**" shall mean any fee paid to the lenders by the borrower, such as the waiver/amendment fees, in relation to Infrastructure Debt Assets.

# 1. Directory

**Registered office of the Fund**
4a, rue Albert Borschette
L-1246 Luxembourg
Grand Duchy of Luxembourg

**Directors:**
Daniel Holtz
*Head Credit*
*Swiss Life PAM*

Thomas Albert
*Co-CEO*
*Swiss Life Asset Managers Luxembourg*

Mario Koster
*Director*

**AIFM**
Swiss Life Asset Managers Luxembourg
4a, rue Albert Borschette
L-1246 Luxembourg
Grand Duchy of Luxembourg

**Directors of the AIFM:**

Robin van Berkel
*Chairman*
*Head of Collective Investments*
*Swiss Life Asset Management, Zürich*

Thomas Albert
*Managing Director*
*Swiss Life Asset Managers Luxembourg*

Uwe Druckenmüller
Managing Director
*Swiss Life Asset Managers Luxembourg*

Per Erikson
*CEO*
*Swiss Life Asset Managers Germany*

Thomas Nummer
*Director*
*Trinova S.A.*

**Conducting Officers of the AIFM:**
Thomas Albert
Uwe Druckenmüller
Franziska Feitzinger
Jasmin Heitz
Giedre Plentaite
Tilo Reichert

**Investment Managers**
Swiss Life Asset Management AG (for Senior Secured Loans I, II, III, IV and V)
40, General Guisan-Quai
8002 Zurich
Switzerland

Swiss Life Asset Managers France (for ESG Infrastructure Debt)
153, rue Saint Honoré
75001 Paris
France

**Depositary**
The Bank of New York Mellon SA/NV, Luxembourg Branch
2-4, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

**Administrative Agent - Registrar and Transfer Agent**
The Bank of New York Mellon SA/NV, Luxembourg Branch
2-4, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

**Paying Agent**
The Bank of New York Mellon SA/NV, Luxembourg Branch
2-4, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

**Auditor of the Fund**
PricewaterhouseCoopers, *Société Coopérative*
2, rue Gerhard Mercator
L-2182 Luxembourg
Grand Duchy of Luxembourg

**Legal Advisers in Luxembourg**
Arendt & Medernach S.A.
41A, Avenue J.F.Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

# 2. The Fund

The Fund is a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital - specialised investment fund (*société d'investissement à capital variable – fonds d'investissement spécialisé*) and qualifies as an alternative investment fund (AIF) within the meaning of the AIFM Law.

The purpose of the Fund is the investment of the funds available to it in securities of all types, UCIs or any other permissible assets, with a view to spreading investment risks and enabling its Shareholders to benefit from the results of the management thereof, in accordance with the provisions of this Placement Memorandum.

The Fund is a single legal entity incorporated as an umbrella fund. The Fund may be constituted of one or several portfolios of investments, each a Sub-Fund, the issue proceeds of which will be separately invested pursuant to investment policies fixed by the Board of Directors for each Sub-Fund. For each of the Sub-Funds, different Classes may be issued with different characteristics as further described in the relevant Appendix.

The Fund was incorporated in Luxembourg on 19 September 2017. The Fund is registered with the Luxembourg Register of Trade and Companies (*Registre de Commerce et des Sociétés of Luxembourg*) with number B218217. The capital of the Fund shall be equal to the net assets of the Fund. The minimum capital is the equivalent in U.S. Dollars of 1,250,000 Euro. This minimum must be reached within a period of twelve (12) months following the authorization of the Fund by the CSSF.

The Fund is evergreen.

The base currency of the Fund is U.S. Dollars.

Each Sub-Fund may have a different base currency.

As a rule, and unless otherwise disclosed in the relevant Sub-Fund Appendix, none of the Sub-Funds intends to use one or more benchmarks within the meaning of the 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.

# 3. The Sub-Fund(s)

The information concerning existing Sub-Funds is disclosed in the relevant Appendices.

The Board of Directors may, from time to time, create new Sub-Funds by updating this Placement Memorandum by further Appendices or otherwise.

The ownership of a Share in a Sub-Fund affords the Shareholder the opportunity of having his investment spread over the whole range of securities and other assets held by such Sub-Fund.

The rights of Shareholders and creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. For the purpose of the relations between Shareholders, each Sub-Fund will be deemed to be a separate entity. Each Sub-Fund shall bear its own liabilities.

# 4. Investment Policy of the Sub-Fund(s)

The investment objective, investment guidelines and Investment Restrictions (as defined in Section 9 "Investment Restrictions") (together the "**Investment Policy**") of each Sub-Fund are described in the relevant Appendices.

The Board of Directors determines, in accordance with applicable rules and regulations, the General Investment Restrictions applicable to the Fund, the Specific Investment Restriction applicable to each Sub-Fund and the Investment Policy applicable to each Sub-Fund.

The AIFM is subject to supervision of the CSSF. The business objective of the Sub-Funds is limited to the investment and management of the Sub-Funds' assets for the joint account of the investors.

There can be no guarantee that the investment objectives of any Sub-Fund will be met.

# 5. Management of the Fund

Board of Directors

The Board of Directors is responsible for the management and administration of the Fund and for its overall investment policy.

The Board of Directors is also responsible for selecting the AIFM, the Depositary, and other such agents as are appropriate. The Board of Directors is responsible for the monitoring and the overall supervision and control of such agents. To this effect, the Board of Directors may give board recommendations to the agents in relation to, without limitation, the structure, promotion, administration, investment management and distribution of the Fund and the contents of any documentation relating to the Fund (including but not limited to, the Placement Memorandum).

The Directors shall be elected by the Shareholders at a general meeting of Shareholders; the latter shall further determine the number of Directors, their remuneration and the term of their office. However, any Director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting of Shareholders. In the event of a vacancy in the office of Director, the remaining Directors may temporarily fill such vacancy; the Shareholders shall take a final decision regarding such nomination at their next general meeting of Shareholders.

AIFM

Swiss Life Asset Managers Luxembourg (formerly Swiss Life Fund Management (LUX) S.A.), a public limited liability company (*société anonyme*), with registered office at 4a, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg incorporated on 22 August 2012 under the laws of the Grand Duchy of Luxembourg for an unlimited duration and registered with the Luxembourg Register of Trade and Companies (*Registre de Commerce et des Sociétés*) under number B 171.124, has been appointed as alternative investment fund manager of the Fund within the meaning of the AIFM Law (the "**AIFM**" or "**AIFM**").

The AIFM is wholly owned by Swiss Life Investment Management Holding AG ("**SLIM**"). SLIM is part of Swiss Life Group and is held and controlled by Swiss Life Holding AG. Swiss Life Holding AG based in Zurich, which dates back to the *Schweizerische Rentenanstalt*, founded in 1857, is listed on the SIX Swiss Exchange (SLHN). Swiss Life Group employs a staff of around ten thousand (10,000) people.

The AIFM has been authorized by the CSSF as an alternative investment fund manager within the meaning of the AIFM Law.

Pursuant to its articles of incorporation, the purpose of the AIFM is, amongst others, the administration and management of alternative investment funds, in particular of several Luxembourg specialised investment funds subject to the 2007 Law, and/or analogous foreign structures in accordance with the provisions of chapter 15 of 2010 Law and the AIFM Law, as well as the investment management, marketing and administration services in accordance with article 101 (2) and Annex II of the 2010 Law and is licensed for the management of portfolios on a discretionary client-by-client basis, investment advice, and reception and transmission of orders under its AIFM license for marketing purposes.

The AIFM has been appointed as the external alternative investment fund manager of the Fund within the meaning of article 4 of the AIFM Law. As such, pursuant to the terms of the Fund Management Agreement and subject to the overall supervision of the Board of Directors, the AIFM performs portfolio management and risk management functions for the benefit of the Fund, as well as the valuation of assets and the promotion, marketing and placement of Shares. The AIFM further provides certain administrative and secretarial services (including domiciliation) to the Fund.

The AIFM has the responsibility for managing the Fund in accordance with the Placement Memorandum, the Articles of Incorporation, Luxembourg laws and other relevant legal requirements and in the exclusive interest of the Shareholders. It will be empowered, subject to the rules as further set out hereafter, to exercise all of the rights attached directly or indirectly to the assets of each Sub-Fund and is responsible, from a regulatory perspective, for the management of the Fund.

The AIFM may also be involved in the creation, administration and management of other investment funds.

Subject to its overall responsibility, control and supervision, and applicable laws and regulations, the AIFM may delegate the day-to-day portfolio management of the investments of the Sub-Funds to the Investment Manager(s), as more fully described in the relevant Appendix of each Sub-Fund.

The Board of Directors has further entrusted the AIFM with all the powers and rights conferred to it in compliance with this Placement Memorandum, including but not limited to:

- the acceptance or rejection of any application to subscribe made by an Investor;
- the determination of Closings, including the rights to postpone the First Closing and to postpone the end of the Offering Period;
- the extension of the Commitment Period;
- the drawdown and the issue of Shares:
- the declaration of an Investor as Defaulting Investor and the determination of remedies in case of Default;
- the operation related to the redemption of Shares, such as the determination of the Redemption Price, the suspension of redemptions of Shares, the compulsory redemption with respect to Prohibited Persons, the proportional compulsory redemption for distribution purposes and the exercise of pre-emptive rights; and
- the transfer and conversion of Shares;

it being understood that all powers and rights are delegated by the Board of Directors to the AIFM subject, as applicable, to the conditions described in the relevant Sections of this Placement Memorandum or other limitations laid down by the Board of Directors from time to time.

In accordance with the applicable laws and regulations and with the prior consent of the CSSF, the AIFM is empowered to delegate, under its responsibility, part of its duties and powers to any person or entity, which it may consider appropriate and which disposes of the requisite expertise and resources, it being understood that, the case being, the Placement Memorandum shall be amended accordingly. Any such delegation will be performed in compliance with the provisions of Part II of the 2007 Law and the AIFM Law.

In order to cover potential professional liability risks resulting from the AIFM's activities, the AIFM has additional own funds which are appropriate to the risks covered.

Save to the extent explicitly set out otherwise herein, where the AIFM is referred to in the Placement Memorandum as taking any action, it shall be understood, that the AIFM will be taking action in its own name and on behalf of the Fund or its respective Sub-Fund(s).

The appointment of the AIFM may be terminated in accordance with the terms and conditions of the Fund Management Agreement.

# 6. Depositary

The Bank of New York Mellon SA/NV, Luxembourg Branch, having its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg, has been appointed Depositary of the Fund within the meaning of the AIFM Law (in such function, the "**Depositary**").

The Bank of New York Mellon SA/NV, is a credit institution organised and existing under the laws of Belgium, with company number 0806.743.159, whose registered office is at 46 Rue Montoyer, B-1000 Brussels, Belgium, acting through its Luxembourg branch located in the Grand Duchy of Luxembourg at 2-4 Rue Eugène Ruppert, L-2453 Luxembourg, registered with the Luxembourg Register of Trade and Companies under number B 105087.

The Depositary or the Fund may terminate the appointment of the Depositary at any time upon at least ninety (90) days written notice delivered by the one to the other. In the event of termination of the appointment of the Depositary, the Fund will use its best endeavours to appoint within two (2) months of such termination, a new depositary who will assume the responsibilities and functions of the Depositary. Pending the appointment of a new depositary, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Shareholders.

The Depositary shall assume its functions and responsibilities in accordance with the 2007 Law, the AIFM Law, the AIFM Regulation and the Depositary Agreement.

The Depositary will, in accordance with the 2007 Law, the AIFM Law, the AIFM Regulation and the Depositary Agreement perform the following duties:

- ensure the safe-keeping of the Fund's assets that are held in custody (including book entry securities) in accordance with article 19 (8) of the AIFM Law and record-keeping of assets that cannot be or are not held in custody in which case the Depositary must verify their ownership;

- ensure that the Fund's cash flows are properly monitored in accordance with article 19 (7) of the AIFM Law, and in particular ensure that all payments made by or on behalf of investors upon the subscription of Shares in the Fund have been received and that all cash of the Fund has been booked in cash accounts that the Depositary can monitor and reconcile;

- ensure that the sale, issue, redemption and cancellation of Shares are carried out in accordance with applicable national law and the Articles of Incorporation;

- ensure that the value of the Shares is calculated in accordance with the applicable national law, the Articles of Incorporation and the valuation procedures;

- carry out the instructions of the Fund and the AIFM, unless they conflict with applicable national law, this Placement Memorandum or the Articles of Incorporation;

- ensure that, in transactions involving the assets of the Fund, any consideration is remitted to the Fund within the usual time limits in respect of the specified assets; and

- ensure that the income attributable to the Fund is applied in accordance with applicable national law and the Articles of Incorporation.

Subject to the AIFM Law, the AIFM Regulation and the Depositary Agreement, the Depositary is authorized to delegate the safe-keeping of the Fund's assets to third parties. The Depositary commits to provide to the Fund and the AIFM, details of any third party and, to the extent applicable, information on the criteria used to select these third parties.

The Depositary's liability in relation to its duties of supervision shall not be affected by the fact that it has entrusted the safekeeping of all or part of the assets in its care to a third party.

To the extent the Depositary delegates part of its duties in accordance with the AIFM Law, any potential discharge of liability shall be specified in the Depositary Agreement.

The Depositary shall be liable to the Fund or its investors for the loss of financial instruments by the Depositary or a third party to whom the custody of financial instruments has been delegated.

The Depositary may discharge its responsibility in case of a loss of a financial instrument (i) in the event it can prove that all the conditions set in article 101 of the AIFM Regulation are met; or (ii) where it has contractually discharged its responsibility in compliance with article 19 (13) of the AIFM Law; or (iii) in compliance with the conditions set out under article 19 (14) of the AIFM Law where the laws of a third country requires that certain financial instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 19 (11) of the AIFM Law.

The AIFM shall inform the Shareholders of any contractual liability discharge arrangements the Depositary has entered into with a third party pursuant to the provisions of Article 19 (13) and Article 19 (14) of the AIFM Law. A list of the appointed third parties and a description of any contractual liability discharge arrangements shall be kept up-to-date and made available to the Shareholders at the registered office of the AIFM.

All cash, securities and other assets constituting the assets of the Fund shall be held by or to the order of the Depositary. The Depositary may hold securities in accounts with such clearing houses as it may determine. The Depositary may only dispose of the assets of the Fund and make payments to third parties on behalf of the Fund on receipt of instructions from the AIFM or its appointed agents.

The Depositary Agreement contains provisions on the circumstances under which the Depositary may be indemnified or reimbursed.

Upon receipt of instructions from the Fund or the AIFM or its appointed agents, the Depositary will carry out all disposals with respect to the Fund's assets.

# 7. Administration

Swiss Life Asset Managers Luxembourg (formerly Swiss Life Fund Management (LUX) S.A.) is also in charge of the administration of the Fund.

Swiss Life Asset Managers Luxembourg (formerly Swiss Life Fund Management (LUX) S.A.) has delegated to the Bank of New York Mellon SA/NV, Luxembourg Branch the registrar and transfer agent functions (in such capacity the "**Registrar and Transfer Agent**"), administrative agent functions (in such capacity the "**Administrative Agent**") and paying agent functions (in such capacity the "**Paying Agent**"). It is responsible for the general administrative functions required by Luxembourg law and for the processing of the issue and redemption of Shares, the calculation of the Net Asset Value of the Shares of each Sub-Fund and the maintenance of accounting records.

The Bank of New York Mellon SA/NV is authorized, in accordance with the law and the Fund Administration Agreement, to delegate under its responsibility and provided that it exercises reasonable care in the selection thereof, some or all of its duties to an agent or agents, to the extent required upon *inter alia* prior notification of the delegation to the CSSF.

The Fund Administration Agreement contains provisions on the circumstances under which the Bank of New York Mellon SA/NV may be indemnified or reimbursed. The Bank of New York Mellon SA/NV, the Fund or the AIFM may each terminate this agreement on giving not less than ninety (90) days' prior written notice.

# 8. Articles of Incorporation

The Articles of Incorporation have been published in the *Recueil électronique des sociétés et associations* (RESA).

The Articles of Incorporation have been filed with the Luxembourg Register of Trade and Companies (*Registre de Commerce et des Sociétés*) where they may be inspected and copies thereof may be obtained.

Copies of the Articles of Incorporation will be sent free of charge by the AIFM upon request from a Shareholder.

The Articles of Incorporation may be amended by a general meeting of Shareholders subject to the relevant quorum and majority requirements provided by the 1915 Law.

# 9. General Investment Restrictions

The AIFM, while managing the assets of the Sub-Funds, will conduct the investment operations of the Sub-Funds in compliance with the following general investment restrictions (the "**General Investment Restrictions**"). For the sake of clarification, securities and portfolio investments may be held directly or indirectly through subsidiaries structured as Luxembourg or foreign limited liability companies, wholly owned or controlled by the Fund in the name and for the account of a Sub-Fund (the "**Subsidiary**"); compliance with the General Investment Restrictions is assessed with respect to the exposure to securities and portfolio investments.

The investment policy of a Sub-Fund may be subject to different or additional investment restrictions than those provided below, in which case such different or additional restrictions are disclosed in the relevant Sub-Fund Appendix (the Specific Investment Restrictions, together with the General Investment Restrictions, the "**Investment Restrictions**") and shall not supersede, contravene or be less restrictive than the General Investment Restrictions.

1. A Sub-Fund may not invest more than 30% of its net assets or commitments to subscribe in securities of the same type issued by the same issuer. This restriction does not apply to:

    - investments in securities issued or guaranteed by an OECD Member State or its regional or local authorities or by EU, regional or global supranational institutions and bodies;

    - investments in target UCIs that are subject to risk-spreading requirements at least comparable to those applicable to SIFs.

    For the purpose of the application of this restriction, every sub-fund of a target umbrella UCI is to be considered as a separate issuer provided that the principle of segregation of liabilities among the various sub-funds *vis-à-vis* third parties is ensured.

2. Short sales may not in principle result in a Sub-Fund holding a short position in securities of the same type issued by the same issuer representing more than 30% of its assets.

3. When using financial derivative instruments, the Fund must ensure, via appropriate diversification of the underlying assets, a similar level of risk-spreading. Similarly, the counterparty risk in an OTC transaction must, where applicable, be limited having regard to the quality and qualification of the counterparty.

4. The Investment Restrictions in respect to diversification requirements may be derogated from for a period of twelve (12) months after launch of a Sub-Fund.

5. If any of the above percentages are exceeded as a result of the exercise of subscription rights or as a result of any events other than the making of investments, the situation shall be remedied taking due account of the interests of the Shareholders.

6. The borrowing policy and the possibility for each Sub-Fund to use leverage will be disclosed in the relevant Appendix.

7. Any investing Sub-Fund may subscribe, acquire and/or hold Shares to be issued or issued by one or more Sub-Funds (each, a "**Target Sub-Fund**"), under the condition however that:

    - the Target Sub-Fund does not, in turn, invest in the investing Sub-Fund invested in this Target Sub-Fund;

    - voting rights, if any, attaching to the relevant securities or partnership interests are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the period reports; and

    - in any event, for as long as these Shares are held by the investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2007 Law.

8. The Fund is further authorised to make use of derivative financial techniques and instruments for interest rate, currency hedging and efficient portfolio management purposes. Derivative financial instruments may include, among others, options, forward contracts on financial instruments and options on such contracts as well as swap option and swap contracts by private agreement on any type of financial instruments. Such derivative financial instruments must be dealt on an organised market or contracted by private agreement with first class institutions specialised in this type of transaction.

9. The Fund may from time to time impose further investment restrictions, as set out in the relevant Sub-Fund Appendix, as shall be compatible with or in the interests of the Shareholders, in order to comply with the laws and regulations of the countries where the Shares of the Sub-Funds are placed.

10. The Fund will invest in line with CSSF Circular 07/309.

## 10. Issue of Shares

Form and characteristics of Shares

The Fund shall issue, for each Sub-Fund, Shares in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting Shareholder. The registration of a Shareholder in the register of Shareholders of the Fund evidences the Shareholder's ownership right towards the Fund.

Fractional Shares may be issued up to three (3) decimals as further detailed in the relevant Appendix.

All Shares within each Sub-Fund have equal rights and privileges. Each Share of each Sub-Fund is, upon issue, entitled to participate with all other Shares of such Sub-Fund in any distribution upon declaration of dividends in respect of such Sub-Fund or upon liquidation of the Sub-Fund.

For each Sub-Fund, the Fund may offer several Classes of Shares with different characteristics, as detailed in the relevant Appendix. Not all Classes of Shares are suitable for all investors and investors should ensure that the chosen Class of Shares is the most suitable for them.

Restrictions of the ownership

The Fund has been organized under the 2007 Law.

The sale of Shares of the Fund is restricted to Eligible Investors.

The eligibility requirements set out above shall also apply to Investors investing through nominee arrangements as well as to the nominee themselves.

As a consequence of the above no PRIIP KID will be produced.

In addition, the marketing of Shares in certain other jurisdictions may be restricted pursuant to selling restrictions set out in the AIFMD and applicable local rules and regulations.

The Fund will not issue Shares to persons whom it considers as not qualifying as Eligible Investors and/or precluded from acquiring Shares pursuant to the AIFMD and applicable laws and regulations.

When completing the Application Form, investors will be required to confirm their status as Eligible Investors or any other status that may be required by the AIFMD and applicable laws and regulations for acquiring Shares. Failure to do so will result in the application being rejected.

The AIFM may reject at its discretion any Application Form.

Upon request from the Registrar and Transfer Agent, or the AIFM, Shareholders may be required to provide any confirmation or documentation in an acceptable form from time to time to ensure such compliance.

Subscription in the Fund

1. Prior to the initial subscription:

When making an initial subscription in the Fund, investors must provide the Registrar and Transfer Agent with a duly completed Application Form for the Fund along with the Identification Documents, as well as any other document requested from time to time by the AIFM or the Registrar and Transfer Agent.

The Application Form can be obtained upon request from the AIFM.

Investors should note that while receipt of the completed Application Form and/or Identification Documents are pending, all transactions may be rejected or delayed.

If foreseen in the Sub-Fund's Appendix, subscriptions will be subject to the prior approval of the AIFM and to the completion of the required Application Form.

2. Application for Shares:

Once the investor's account has been created by the Registrar and Transfer Agent, applications for Shares should be made by fax or in writing. The term "in writing" in relation to application for Shares shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent from time to time. Settlements for subscriptions are due in cleared funds for receipt by the Fund on the relevant settlement date as disclosed in the Appendix of each Sub-Fund. Payment should be made in the currency of the purchased Class of Shares.

In the event of a late payment, the AIFM may either rescind the subscription or charge interest at the then current rate for overdraft for such currency from the date of acceptance of the application by the Registrar and Transfer Agent.

Applications for Shares must include the following information:

- The full name of the Sub-Fund and Class of Shares in which the applicant wishes to invest;
- The amount of cash to be invested or the number of Shares applied for in respect of each Class of Shares, including the figures spelled out in text;
- The name and account number (if available) of the investor as well as the agent code (if applicable) and such information that the Registrar and Transfer Agent may require to ensure compliance with applicable laws and regulations, especially the AML/CTF Law and Regulations.

Investors should note the minimum initial investment amount for each Class of Shares as set forth in the relevant Appendix of each Sub-Fund.

Investors should also note that while receipt and acceptance by the Registrar and Transfer Agent of the completed Application Form and Identification Documents are pending, transactions may be rejected or delayed.

Investors should also note that additional confirmation and/or documentation in relation to the investor's compliance with the Eligible Investor status may be required by the Registrar and Transfer Agent or the AIFM from time to time. While receipt of these confirmations and/or documentation is pending, transactions may be rejected or delayed.

The application for Shares must be received by the Registrar and Transfer Agent before the relevant Subscription Cut-Off Time (as defined in the relevant Appendix of each Sub-Fund).

Shares of a Sub-Fund are issued by the Fund on or about the Dealing Day.

Please see the relevant Appendix for more details on the issue of Shares of each Sub-Fund.

The Fund and the AIFM shall comply or procure that any agent (if any) will comply, with respect to the issuing of Shares, with the laws and regulations of the countries where Shares are offered. The AIFM may, at its discretion, discontinue temporarily, cease definitely or limit the issue of Shares at any time to persons or corporate bodies resident or established in certain countries or territories or to one or more investor or group of companies. The AIFM may prohibit certain corporate bodies from acquiring Shares, if such a measure is necessary for the protection of the Shareholders as a whole and the Fund.

Any applicable subscription fee will be disclosed for each Sub-Fund in the relevant Appendix.

The AIFM may reject at its discretion any application for purchase of Shares.

If foreseen in the Sub-Fund's Appendix, the AIFM may, if a prospective shareholder requests and the AIFM so agrees, satisfy any application for subscription of shares which is proposed to be made by way of contribution in kind. The nature and type of assets to be accepted in any such case shall be determined by the Fund and must correspond to the investment policy and restrictions of the Fund or the Sub-Fund being invested in. A report relating to the contributed assets must be delivered to the Fund by an independent auditor (*réviseur d'entreprises agréé*) and the costs for such report shall be borne by the prospective shareholder.

Investors should refer to the section entitled "Issue of Shares" in the relevant Appendix for more information about issue of Shares of each Sub-Fund.

# 11. Redemption of Shares

Redemptions

The Fund may have open-ended as well as closed-ended Sub-Funds.

With reference to open-ended Sub-Funds, and as set out in the relevant Appendix, applications for redemption of Shares may be placed by fax or in writing. The term “in writing” in relation to application for Shares shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent from time to time. In case the bank details of the Shareholder have changed since the initial ones communicated in the Application Form, a signed instruction with the new bank details will have to be sent to the Registrar and Transfer Agent. Applications for redemption of Shares will only be accepted for Shares which have been receive before the relevant Redemption Cut-Off Time.

Shareholders may redeem all or part of their holding in a Sub-Fund or Class of Shares. If such request would reduce their holding to below the minimum holding amount for the relevant Class of Shares, such request may be treated as a request to redeem all remaining Shares of such Class of Shares or convert (if applicable) all remaining Shares of such Class of Shares to a Class of Shares with a lower minimum holding amount. All costs (including potential tax liability which might be applicable because of the country of citizenship, residence or domicile of the relevant Shareholder) associated with such compulsory redemption or conversion (if applicable) will be borne by the relevant Shareholder.

Redemption orders must include the following information:

- The full name of the Sub-Fund and Class of Shares which the Shareholder wishes to redeem;
- The amount of cash or the number of Shares to be redeemed in respect of each Class of Shares, including the figures spelled out in text;
- The name and account on which redemption proceeds will be paid, as well as the agent code (if applicable);
- Such information that the Registrar and Transfer Agent may require to ensure compliance with the AML/CTF Laws and Regulations.

Shareholders may request the redemption of their Shares under the conditions which are specified for every Sub-Fund in the relevant Appendix.

Any applicable redemption fee will be disclosed for each Sub-Fund in the relevant Appendix.

Shareholders should note that while receipt of Identification Documents is pending, redemption proceeds cannot be remitted to the Shareholders.

Investors should refer to the section entitled “Redemption of Shares” in the relevant Appendix for more information about redemption of Shares of each Sub-Fund.
Redemption requests may be scaled-down as further described in the relevant Sub-Fund Appendix.

The AIFM shall also accept redemption requests for Shares that are issued prior to the end of the Initial Offering Period of a specific Sub-Fund, if and when such redemption requests are received before the end of the Initial Offering Period of the relevant Sub-Fund. The redemption price of such Shares shall be equal to their subscription price.

Compulsory redemption of Shares

The AIFM may compulsory redeem at any time the Shares held by Shareholders who are precluded from purchasing or holding Shares. In particular, the AIFM may proceed to the compulsory redemption of the Shares:

- held directly or indirectly by persons whose activities may adversely affect the Shareholders (for example that disrupt the investment strategies or impact expenses) or the Fund as a whole;
- held by persons who don’t or cease to comply with the holding requirements of Shares for the relevant Class of Shares;
- held by persons who cease to qualify as Eligible Investors or held by Eligible Investors on behalf of a person who ceases to or does not qualify as an Eligible Investor;
- held directly or indirectly by persons whose holding of such Shares would result in the Fund or its Shareholders suffering adverse regulatory, fiscal or pecuniary consequences the Fund or its Shareholders would otherwise not suffered;
- held directly or indirectly (in case this has an adverse effect on the Fund or is not in the best interest of the Fund and its Shareholders) by U.S. Persons or by any person in breach of any law or requirement of a country governmental or regulatory authority; and
- held directly or indirectly by persons precluded from holding such Shares pursuant to the selling restrictions set out in the AIFMD and applicable local rules and regulations.

## 12. Conversion of Shares

Shares of one Sub-Fund may not be converted into Shares of another Sub-Fund.

Where a Sub-Fund offers two or more Classes of Shares, Shares of one Class may be converted to Shares of another Class, subject to compliance by the concerned Shareholder with the restrictions applicable to the relevant Class of Shares. If such request would reduce a holding to below the minimum holding amount for the relevant Class of Shares, the remaining Shares of the relevant Class of Shares may compulsorily be redeemed or converted to a Class of Shares with a lower minimum holding amount (if any). All costs (including potential tax liability which might be applicable because of the country of citizenship, residence or domicile of the relevant Shareholder) associated with such compulsory conversion will be borne by the relevant Shareholder.

The AIFM may at its sole discretion reject any conversion requests.

Conversion requests, if permitted, may be scaled-down as further described in the relevant Sub-Fund Appendix.

# 13. Transfer of Shares

Unless otherwise stated in the relevant Sub-Fund Appendix, Shares may be transferred subject to the prior approval of the AIFM, which might not be unreasonably withheld, (i) if the completed Application Form and Identification Documents have been obtained from each of the concerned Shareholders, and (ii) if the existing restrictions of the Class of Shares are complied with by the transferee and transferor, and, (iii) if, <u>for commitment based Share Classes only</u>, the transferee or assignee thereof fully and completely assuming in writing, prior to the effectiveness of the transfer or assignment, all outstanding obligations of the transferor / seller under its commitment agreement (the transferor / seller shall not automatically be released from its obligations under its commitment agreement by the mere transfer of its Shares to an Eligible Investor, unless the Fund has expressly released the relevant transferor / seller from its obligations under its commitment agreement, in particular with respect to the payment of the outstanding portion of its Commitment) and that the transferor / seller and the transferee or assignee establish the credit worthiness of the transferee or assignee, which at least shall be equivalent to that of the transferor / seller, it being understood that with respect to VAG–Investors, the specific conditions provided for below shall apply.

If such request would reduce a holding of the transferor below the minimum holding amount for the relevant Class of Shares, the remaining Shares of the relevant Class of Shares may compulsorily be redeemed or converted (if applicable) to a Class of Shares with a lower minimum holding amount. All costs (including potential tax liability which might be applicable because of the country of citizenship, residence or domicile of the relevant Shareholder) associated with such compulsory redemption or conversion (if applicable) will be borne by the relevant Shareholder.

Notwithstanding the above, Shares which are, either directly or indirectly, part of the guarantee assets ("*Sicherungsvermögen*" as defined in section 125 of the German Insurance Supervisory Act) or the assets which are governed by the general principles set out in section 124 of the German Insurance Supervisory Act of a VAG-Investor are freely transferable and any transfer does not require the approval of the AIFM, provided that the transferee is:

(i) an institutional investor and qualifies as insurance company, pension scheme, social insurance agency, pension fund, investment fund, alternative investment fund manager, foundation or bank, or

(ii) another type of investor with an investment-grade credit rating from Standard & Poors or Moody's or which can provide sufficient security to meet its obligations under the Articles of Incorporation and the Placement Memorandum, as reasonably determined by the Board of Directors, and

*provided that* the transferee is a qualified investor for all applicable securities law and regulatory purposes and each of the transferor and the transferee execute all necessary documentation in connection with the transfer as reasonably required by the AIFM.

After the transfer of Shares by a VAG-Investor, in accordance with the above provisions, the transferee shall accept and become solely liable for all liabilities and obligations relating to such Shares and the transferor shall be released from (and shall have no further liability for) for such liabilities and obligations (no joint and several liability (*gesamtschuldnerische Haftung*) of the VAG-Investor and the transferee). Once the transferor has transferred its Shares, in accordance with above provisions, such transferor shall have no further liability of any nature under the documentation of the Fund or in respect of the Fund in relation to the Shares it has transferred. Any such obligations from the Shares shall be transferred from the VAG-Investor to the transferee with discharging effect from any debt (*schuldbefreiende Wirkung*). For avoidance of doubt, the discharging effect from any debt (*schuldbefreiende Wirkung*) does not apply to the transferee.

To the extent that, and as long as, Shares are part of a VAG -Investor's "guarantee assets" ("*Sicherungsvermögen*" as defined in section 125 VAG), and a VAG-Investor has appointed a trustee (*Treuhänder*), pursuant to section 128 VAG, a VAG-Investor may assign, sell or transfer such Shares only with the prior written approval of the appointed trustee for their guarantee assets (or its representative) in accordance with section 128 VAG. The AIFM shall instruct the Registrar and Transfer Agent to enter such approval requirement (*Treuhändersperrvermerk*) in the register of Shareholders in respect of each VAG-Investor. The AIFM shall have the right to rely on confirmations made by such VAG-Investor and such trustee on these matters.

The AIFM will not give effect to any transfer of Shares which would result in a person precluded from holding Shares becoming a Shareholder. The AIFM may request both transferor and transferee a full rationale for the transfer request.

The AIFM may at its sole discretion reject any transfer requests.

# 14. Other Important Dealing Information

Market timing

The Sub-Funds are not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Fund or its Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

Whilst recognizing that Shareholders may have legitimate needs to adjust their investments from time to time, the Fund in its discretion may, if it deems such activities adversely affect the interests of the Fund or its Shareholders, take action as appropriate to deter such activities.

Accordingly if the AIFM determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or conversion (if applicable) applications and take any action or measures as appropriate or necessary to protect the Fund and its Shareholders.

Such measures may include the imposition of a redemption fee, if referenced in the relevant Appendix, on the redemption proceeds of Shareholders whom the AIFM has determined to have engaged in such activities or the imposition of limitations on the number of subscriptions or conversions of Shares between Sub-Funds (where conversions are permitted).

Dealing through Euroclear/Clearstream

Arrangements can be made for Shares to be held in accounts maintained with either Clearstream or Euroclear, unless otherwise provided for in the Sub-Fund agreements. For further information about the procedures involved, please contact the Registrar and Transfer Agent. Shareholders should note that Clearstream will accept deliveries of fractional Shares, whereas Euroclear will only accept deliveries for whole numbers of Shares. Shares held by Clearstream or Euroclear will be registered in the name of the relevant depository.

Closing of a Sub-Fund to further inflows

A Sub-Fund may be closed to new subscriptions if, in the opinion of the AIFM, this is necessary to protect the interests of existing Shareholders. One such circumstance would be where the Sub-Fund has reached a size such that the capacity of the market and/or the capacity of the relevant Investment Manager has been reached, and where to permit further inflows would be detrimental to the performance of the Sub-Fund. Where the capacity of any Sub-Fund is materially constrained in the opinion of the AIFM, the Sub-Fund may be closed to new subscriptions or conversion (if applicable). Details of Sub-Funds which are closed to new subscriptions and conversion will be provided in the annual report of the Fund.

No certificate for Shares will be issued.

# 15. Determination of the Net Asset Value of Shares

The Net Asset Value per Class of Shares of each Sub-Fund is determined in accordance with this Placement Memorandum and the Articles of Incorporation as of every Valuation Day and applicable Valuation Point for the relevant Sub-Fund and is expressed in the base currency of the relevant Sub-Fund or Class of Shares.

The prices of Shares of the Fund are determined on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought and sold (exclusive of any sales charges). The Net Asset Value per Share (or where applicable the Net Asset Value per Class of Shares) is calculated as of the Valuation Point as determined by the Fund for a relevant Sub-Fund from time to time (the "**Valuation Point**") following both the Subscription Cut-Off Time and Redemption Cut-Off Time (as defined in the relevant Appendix of a Sub-Fund).

The Net Asset Value per Shares of each Class of each Sub-Fund is determined by dividing the value of the assets of the relevant Sub-Fund attributable to that Class of Shares less the value of the liabilities of the Sub-Fund attributable to that Class of Shares by the total number of Shares of such Class then outstanding.

The Net Asset Value per Share (and where applicable the Net Asset Value per Class of Shares) of each Sub-Fund is determined by or at the direction of the AIFM and will be notified to Shareholders on or after the relevant Dealing Day for the relevant Sub-Fund within the timeframe specified in the relevant Appendix, as well as being made available at the offices of the Fund, the AIFM and the Depositary. The Net Asset Value per Shares is calculated to four (4) decimal places.

The assets and liabilities of each Sub-Fund shall be determined for each Sub-Fund in the following manner:

(a) the proceeds from the issue of Shares of each Sub-Fund shall be applied in the books of the Fund to that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the relevant article of the Articles of Incorporation;

(b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same Sub-Fund as the assets from which it was derived and on each revaluation of an asset, the increase or diminution in value shall be applied to the relevant Sub-Fund;

(c) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated to all the Sub-Funds *pro rata* to the respective Net Asset Values of the relevant Sub-Funds;

(d) upon the record date for determination of the person entitled to any dividend declared on any Sub-Fund, the Net Asset Value of the Shares of such Sub-Fund shall be reduced by the amount of such dividends;

(e) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund; and

(f) if there have been created, within a Sub-Fund, different Classes of Shares, the allocation rules set forth above shall be applicable mutatis mutandis to such Classes.

The assets of a Sub-Fund shall be deemed to include:

(a) all cash on hand or on deposit, including any interest accrued thereon;

(b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);

(c) all bonds, time notes, units, stock, debenture stocks, subscription rights, warrants, options, future contracts, loan receivables and similar types of investments, and other securities and assets owned or contracted for such Sub-Fund;

(d) all stock, stock dividends, cash dividends and cash distributions receivable by such Sub-Fund (provided that the Administrative Agent may make, on behalf of such Sub-Fund, adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

(e) all interest accrued on any interest-bearing securities or other assets owned by such Sub-Fund except to the extent that the same is included or reflected in the principal amount of such securities or other assets;

(f) all forward currency contracts or other hedging instruments;

(g) all other assets of every kind and nature, including prepaid expenses attributable to such Sub-Fund.

The liabilities of a Sub-Fund shall be deemed to include:

(a) all loans, bills and accounts payable;

(b) all accrued or payable administrative expenses attributable to such Sub-Fund (including, but not limited to, AIFM fees, Investment Manager(s) fees, Depositary fees, fees for the Registrar and Transfer Agent, Paying Agent, and for the Administrative Agent);

(c) all accrued or payable withholding and other taxes;

(d) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund regarding a Sub-Fund but not yet paid;

(e) an appropriate provision for future taxes based on the total assets and income of such Sub-Fund on the Valuation Day and other reserves, as determined from time to time by the Administrative Agent with the approval of the Fund;

(f) the preliminary expenses of the Fund, attributable to the relevant Sub-Fund, insofar as the same have not been written off;

(g) all other liabilities of such Sub-Fund of whatsoever kind and nature except liabilities represented by Shares in such Sub-Fund. In determining the amount of such liabilities the Administrative Agent may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period; and

(h) if there have been created, within a Sub-Fund, different Classes of Shares, the allocation rules set forth above shall be applicable mutatis mutandis to such Classes.

If for any Valuation Day the Net Asset Value per Class of Shares of a Sub-Fund cannot be determined because of a temporary breakdown of communications, or a temporary unavailability of market quotations of a Sub-Fund's investments, the AIFM may decide to use, for the purpose of determination of the issue and redemption price, the Net Asset Value as calculated on the preceding Dealing Day or as determined prudently and in good faith pursuant to procedures established by the AIFM.

In case of significant redemption applications or in case of a lack of liquidity of a significant portion of the assets of the Fund, the AIFM reserves the right to finalise the Net Asset Value of the Shares only after carrying out the sales of assets required. In that case, the redeeming Shareholder may receive a partial payment of its redemption proceeds, to be considered as an advance on the final redemption amount that will be determined once the relevant sales of assets have been finalised.

The Bank of New York Mellon SA/NV, Luxembourg Branch has been appointed by the AIFM to determine the Net Asset Value per Class of Shares and the amount of dividend per Share to be declared in respect of each Sub-Fund.

This section applies unless otherwise stated in the relevant Sub-Fund Appendix.

# 16. Fund Transactions

Subject to the Investment Policy set forth in the relevant Appendices of the Sub-Funds, the relevant Investment Manager of each Sub-Fund is primarily responsible for the execution of each Sub-Fund's investment transactions and is authorised to select, subject to the AIFM's prior approval, the brokers, dealers or banks that will execute the purchases and sales of securities or other assets on behalf of the relevant Sub-Fund upon such instructions as may be given or authorised by the relevant Investment Manager. In executing such transactions, the relevant Investment Manager of each Sub-Fund is directed to use its best efforts to obtain the best net results for the relevant Sub-Fund, taking into account factors including, without limitation, price (including applicable brokerage commission and dealer spread), size of order, difficulty of execution and operational facilities of the firm involved and the firm's risk in positioning a block of securities.

*Soft commissions' arrangements*. The AIFM and/or its delegates may enter into soft commissions arrangements with brokers under which certain business services are obtained for third parties and are paid for by the brokers out of the commissions they receive from transactions of the Fund. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for a Sub-Fund may be directed by the AIFM and/or its delegates to broker dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker dealers. The soft commission arrangements are subject to the following conditions: (i) the AIFM and/or its delegates will act at all times in the best interest of the Fund and the relevant Sub-Fund when entering into soft commission arrangements; (ii) the services provided will be in direct relationship to the activities of the AIFM and/or its delegates; (iii) brokerage commissions on portfolio transactions for the Fund will be directed by the AIFM and/or its delegates to brokers dealers that are entities and not to individuals; and (iv) the AIFM and/or its delegates will provide reports to the Board of Directors with respect to soft commission arrangements including the nature of the services it / they receive(s).

The Investment Manager shall carry out due diligence checks, as required, regarding investments of the relevant Sub-Fund.

Securities or other assets held by a Sub-Fund also may be held by another Sub-Fund or by other funds or investment manager clients for which the relevant Investment Manager of each Sub-Fund or their affiliates act as an investment manager. Securities or other assets may be held by, or be an appropriate investment for, a Sub-Fund as well as other clients of the relevant Investment Manager or its affiliates. Because of different objectives or other factors, a particular security may be bought for one or more such clients when one or more clients are selling the same security. If purchases or sales of securities or other assets for a Sub-Fund or other clients for which the relevant Investment Manager acts as investment manager arise for consideration at or about the same time, transactions in such securities will be made, insofar as feasible, for the respective funds and clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of securities or other assets held by a Sub-Fund for one or more clients have an adverse effect on other clients.

# 17. Conflicts of Interest

By virtue of the Articles of Incorporation no contract or other transaction between the Fund and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Fund is interested in, or is a director, associate, officer or employee of, such other company or firm. Any Director who serves as a director, officer or employee of any company or firm with which the Fund shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

In the event any Director or officer of the Fund may have in any transaction of the Fund an interest conflicting with the interests of the Fund, such Director or officer shall make known to the Board of Directors such conflicting interest and shall not consider or vote on any such transaction, and such transaction and such Director's or officer's interest therein shall be reported at the next succeeding general meeting of Shareholders. These rules do not apply when the Board of Directors votes on transactions which are concluded in the ordinary course of business at arm's length.

Members of the AIFM, the Investment Manager, the Administrative Agent or the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Fund and/or their respective roles with respect to the Fund. These activities may include managing or advising other funds, private equity vehicles linked to such funds by direct or indirect holdings, purchases and sales of securities, investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including entities in which assets of the Fund may be invested.

In particular, the members (e.g. members of the board of directors and employees) of the AIFM or the Investment Manager may be involved in advising or managing other investment vehicles which have similar or overlapping investment objectives to or with the Fund or may enter into contractual relationships with other entities of the Swiss Life group, such as, but not limited to, their subsidiaries and/or affiliates.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders.

In accordance with applicable laws and regulations, the AIFM has adopted procedures in order to identify adequately, manage and disclose conflicts of interest and prevent them from impairing the interests of Shareholders.

# 18. Valuation of the Assets

The assets of the Sub-Funds will be valued as follows:

(a) the value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received, shall be equal to the entire amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof;

(b) the amortized cost method of valuation for short-term transferable debt securities in certain Sub-Funds of the Fund may be used. This method involves valuing a security at its cost and thereafter assuming a constant amortization to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security. While this method provides certainty in valuation, it may result during certain periods in values which are higher or lower than the price which the Sub-Fund would receive if it sold the securities prior to maturity. For certain short term transferable debt securities, the yield to a Shareholder may differ somewhat from that which could be obtained from a similar sub-fund which marks its portfolio securities to market on a daily basis;

(c) the value of the participations in investment funds shall be based on the last available valuation. Generally, participations in investment funds will be valued in accordance with the methods provided by the instruments governing such investment funds. These valuations shall normally be provided by the fund administrator or valuation agent of an investment fund. To ensure consistency within the valuation of each Sub-Fund, if the time at which the valuation of an investment fund was calculated does not coincide with the valuation time of any Sub-Fund, and such valuation is determined to have changed materially since it was calculated, then the Net Asset Value may be adjusted to reflect the change as determined in good faith under the direction of the AIFM;

(d) the valuation of swaps will be based on their market value, which itself depends on various factors (e.g. level and volatility of the underlying asset, market interest rates, residual term of the swap). Any adjustments required as a result of issues and redemptions are carried out by means of an increase or decrease in the nominal of the swaps, traded at their market value;

(e) the valuation of derivatives traded over-the-counter (OTC), such as forward or option contracts not traded on exchanges or on other recognized markets, will be based on their net liquidating value determined, pursuant to the policies established under the direction of the AIFM on the basis of recognised financial models in the market and in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealised profit/loss with respect to the relevant position;

(f) Securities listed on a stock exchange or traded on any other regulated market will be valued at the last available price on such exchange or market at the Valuation Point. If a security is listed or traded on several stock exchanges or regulated markets, the last available price on the stock exchange or any other regulated market which constitutes the main market for such securities, will be used. In the event that the last available price does not truly reflect the fair market value of the relevant securities, the value of such securities will be based on the reasonably foreseeable sales price as determined prudently and in good faith pursuant to procedures established by the AIFM;

(g) the valuation of infrastructure debt (bonds/loans) will be determined by the AIFM on the basis of an appraisal of one or more independent appraisers, based on a mark-to-model approach, taking into account the respective rating associated to each debt investment. The independent appraisers do not qualify as "external valuers" as such term is used in article 17 of the 2013 Law.

(h) Securities, other than infrastructure debt assets, not listed or traded on any stock exchange or dealt on any regulated market will be valued on the basis of the reasonably foreseeable sales price as determined prudently and in good faith pursuant to procedures established by the AIFM;

(i) Senior Loans (as defined in the relevant Appendix) for which reliable market quotes are readily available are valued at the mean of such bid and ask quotes obtained by an independent pricing service approved by the AIFM. If such quotes are not available, the prices will be based upon pricing models developed, maintained and operated by the independent pricing service or will be valued by the AIFM by considering a number of factors including, without limitation, consideration of market indicators, transactions in instruments which the AIFM believes may be comparable (including, for example, comparable credit quality, interest rate, interest rate redetermination period and maturity), the credit worthiness of the Borrower (as defined in the relevant Appendix), the current interest rate, the period until the next interest rate redetermination and the maturity of such Senior Loan interests. The procedures of the independent pricing service and its valuations are reviewed by the AIFM under the general supervision of the board of directors of the AIFM. The board of directors of the AIFM has determined in good faith that the use of an independent pricing service is a fair method of determining the valuation of the Senior Loans. In all other circumstances and in the sole discretion of the AIFM, Senior Loans may be valued on the basis of the reasonably foreseeable sales price determined prudently and in good faith pursuant to procedures established by the AIFM;

(j) The liquidating value of futures or options contracts traded on exchanges or on other regulated markets shall be based upon the last available prices of these contracts on exchanges and regulated markets on which the particular futures or options contracts are traded by the Sub-Fund; provided that if a futures or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the AIFM may deem fair and reasonable. The liquidating value of futures or options contracts not traded on exchanges or on other regulated markets shall be their net liquidating value determined, pursuant to the procedures established by the AIFM, on a basis consistently applied for each different type of contract;

(k) Values expressed in a currency other than the base currency of the relevant Sub-Fund shall be translated to such currency at the average of the last available buying and selling price for such currency applicable at such specific point in time as determined by the AIFM from time to time (which may be a different time to the Valuation Point of the securities and other assets) on the Valuation Day with regard to which the Net Asset Value is calculated; and

(l) the value of other assets will be determined prudently and in good faith under the direction of the AIFM in accordance with generally accepted valuation principles and procedures.

The AIFM, at its discretion, may authorize the use of other methods of valuation if it considers that such methods would enable the fair value of any asset of the Fund to be determined more accurately. For avoidance of doubt, specific rules for the valuation of certain assets may be further described in the relevant Appendix.

Where necessary, the fair value of an asset is determined by the AIFM, or by a committee appointed by the AIFM, or by a designee of the AIFM.

All valuation regulations and determinations shall be interpreted and made in accordance with the valuation/accounting principles specified in the Placement Memorandum.

Adequate provisions will be made for expenses incurred and due account will be taken of any off-balance sheet liabilities in accordance with fair and prudent criteria.

For each Sub-Fund and for each Class, the Net Asset Value per Share shall be calculated in the relevant Reference Currency with respect to each Valuation Day by dividing the net assets attributable to such Sub-Fund or Class (which shall be equal to the assets minus the liabilities attributable to such Sub-Fund or Class) by the number of Shares issued and in circulation in such Sub-Fund or Class. Assets and liabilities expressed in foreign currencies shall be converted into the relevant Reference Currency, based on the relevant exchange rates.

In the event that extraordinary circumstances render the above impracticable or inadequate, the AIFM is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Sub-Funds.

The Net Asset Value of the Fund is at any time equal to the sum of the Net Asset Values of all its Sub-Funds, converted, where necessary, into U.S. Dollars at the last available rate of exchange prevailing at the Valuation Point of the relevant Sub-Fund.

In the absence of bad faith, gross negligence or manifest error, every decision to determine the net asset value taken by the AIFM or by any bank, company or other organisation which the AIFM may appoint for such purpose, shall be final and binding on the Fund and present, past or future Shareholders.

# 19. Suspension of the Determination of the Net Asset Value of Shares

The AIFM may temporarily suspend the determination of the Net Asset Value of a Sub-Fund and in consequence the issue, the redemption and conversion (if applicable) of Shares or Classes of Shares of such Sub-Fund in any of the following events:

- during any period when any of the principal markets or stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to such Sub-Fund(s) from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;

- during any period when the net asset value of one or more UCI, in which the Fund will have invested and the units or the shares of which constitute a significant part of the assets of the Fund attributable to such Sub-Fund(s), cannot be determined accurately so as to reflect their fair market value as at the Valuation Point or the calculation of this net asset value is suspended;

- the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Fund attributable to Sub-Fund(s) would be impracticable;

- any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-Fund(s) or the current prices or values on any market or stock exchange in respect of the assets attributable to such Sub-Fund(s);

- any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of the Shares of such Sub-Fund(s) or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the AIFM with the consent of the Board of Directors be effected at normal rates of exchange;

- if the Fund or any Sub-Fund or Class is being or may be wound up;

- during any period when in the opinion of the AIFM with the consent of the Board of Directors there exist circumstances outside of the control of the Fund where it would be impracticable or unfair towards the Shareholders to continue dealing in Shares of any Class of the Fund.

The AIFM with the consent of the Board of Directors reserves the right to withhold payments for persons who have redeemed their Shares prior to such a suspension period until after the suspension is lifted. Such right will be exercised in circumstances where the AIFM with the consent of the Board of Directors believes that to make such payment during the period of suspension would prejudice the interests of existing Shareholders. The AIFM with the consent of the Board of Directors reserves the right to withhold payment from persons whose Shares have been redeemed prior to such suspension until such suspension is lifted. Unless any notice to the contrary is received by the Fund before the suspension period is lifted, such applications for redemption will be dealt with as of the first Valuation Day following the end of the suspension period.

Any such suspension will be notified to those Shareholders who have applied for issue or redemption or conversion (if applicable) and shall be published in the manner described under the heading “Information” below.

# 20. Liquidation and Merger

Termination and liquidation of Sub-Funds or Classes of Shares

Subject to prior notice, in the event that, for any reason, the Board of Directors determines that (i) the Net Asset Value of any Sub-Fund or Class of Shares has decreased to, or has not reached, the minimum level for that Sub-Fund or Class of Shares to be managed and/or administered in an efficient manner, or (ii) substantial modification in the legal, economic or political environment would justify such termination, or (iii) a product rationalisation or any other reason would justify such termination, the Board of Directors may decide to redeem all Shares of the relevant Sub-Fund or Class of Shares at the Net Asset Value per Share (taking into account actual realisation prices of investments, realisation expenses and liquidation costs) for the Valuation Day in respect of which such decision shall be effective, and to terminate and liquidate such Sub-Fund or Class of Shares.

Shareholders will be informed of the decision of the Board of Directors to terminate and liquidate a Sub-Fund or Class of Shares by way of a one (1) month notice in writing prior to the effective date of the termination. The notice will indicate the reasons for and the process of the termination and liquidation.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Shareholders in the Sub-Fund or Class of Shares concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interests of the Shareholders in that Sub-Fund or Class of Shares or could jeopardise the fair treatment of the Shareholders.

Redemption proceeds which have not been claimed by the Shareholders upon the compulsory redemption will be deposited, in accordance with applicable laws and regulations, in escrow at the "*Caisse de Consignation*" on behalf of the persons entitled thereto. Proceeds not claimed within the statutory period will be forfeited in accordance with laws and regulations.

All redeemed Shares may be cancelled.

Merger, absorption and reorganisation

Under the same circumstances as provided for the termination and liquidation of Sub-Funds or Classes of Shares above, the Board of Directors may decide to merge, in accordance with applicable laws and regulations, the Fund or any Sub-Fund or Class of Shares of the Fund (the "**Merging Entity**") with (i) another Sub-Fund or Class of Shares of the Fund, or (ii) another Luxembourg specialised investment fund organised under the 2007 Law or sub-fund or class of shares thereof, or (iii) another Luxembourg undertaking for collective investment organised under the 2010 Law, or sub-fund or class of shares thereof, or (iv) another Luxembourg investment vehicle, or (v) another foreign undertaking for collective investment or sub-fund or class of shares thereof (the "**Receiving Entity**"), by transferring the assets and liabilities from the Merging Entity to the Receiving Entity, or by allocating the assets of the Merging Entity to the assets of the Receiving Entity, or by any other method of merger, amalgamation or reorganisation, as may be applicable, and, following a split or consolidation, if necessary, and the payment to Shareholders of the amount corresponding to any fractional entitlement, by re-designating the Shares of the Merging Entity as shares of the Receiving Entity, or by any other method of reorganisation or exchange of shares, as may be applicable.

Such decision will be published to Shareholders of the Merging Entity in the same manner as for the termination and liquidation of Sub-Funds or Classes of Shares above one (1) month before it becomes effective (and, in addition, the publication will contain information in relation to the Receiving Entity), in order to enable Shareholders of the Merging Entity to request redemption of their shares, free of charge, during such period. Exceptions may apply if the Receiving Entity is a Class of Shares of a Sub-Fund of the Fund. Subject to applicable laws and regulations, Shareholders of the Merging Entity who have not requested redemption will be transferred to the Receiving Entity.

Such a merger does not require the prior consent of the Shareholders except where the Fund is the Merging Entity which, thus, ceases to exist as a result of the merger; in such case, the general meeting of Shareholders of the Fund must decide on the merger and its effective date. Such general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast

The Board of Directors may decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Fund or one or several sub-funds or classes of shares of (i) another Luxembourg specialised investment fund organised under the 2007 Law or sub-fund or class of shares thereof, or (ii) another Luxembourg undertaking for collective investment organised under the 2010 Law, or sub-fund or class of shares thereof, or (iii) another Luxembourg investment vehicle, or (iv) another foreign undertaking for collective investment or sub-fund or class of shares thereof (the "**Absorbed Entity**"). The exchange ratio between the relevant Shares of the Fund and the shares or units of the Absorbed Entity will be calculated on the basis of the relevant net asset value per share or unit as of the effective date of the absorption.

Special approval and/or majority requirements may apply in compliance with applicable laws and regulations where the Merging Entity shall be merged into a foreign Receiving Entity, or into a Receiving Entity which is not of the corporate type (*fonds commun de placement* or foreign equivalent).

Under the same conditions and procedure as for a merger, the Board of Directors may decide to reorganise a Sub-Fund or Class of Shares by means of a division into two or more Sub-Funds or Classes of Shares.

Dissolution and liquidation of the Fund

The Fund has been established for an undetermined period and normally its dissolution is to be decided upon at an extraordinary general meeting of Shareholders. Such a meeting must be called within forty (40) days from the ascertainment that the capital of the Fund becomes less than two-thirds or one fourth of the minimum provided by law. The Fund will be dissolved in any cases required under Luxembourg law. Any notice of dissolution will be published in the *Recueil électronique des sociétés et associations* (RESA) and in at least two (2) newspapers with appropriate distribution, at least one (1) of which must be a Luxembourg newspaper. In the event of dissolution, the AIFM or any other entity or person appointed for this purpose will realize the assets of the Fund in the best interests of the Shareholders, and the Depositary, upon instructions given by the AIFM or any other entity or person appointed for this purpose, will distribute the net proceeds of liquidation (after deducting all liquidation expenses) among the Shareholders in proportion to the Shares held. As provided by Luxembourg law, liquidation proceeds

# 20. Liquidation and Merger (continued)

which have not been claimed by Shareholders at the time of the closure of the liquidation shall be deposited in escrow at the "*Caisse de Consignation*" in Luxembourg. Proceeds not claimed within the statutory period shall be forfeited in accordance with applicable laws and regulations.

## 21. Fees and Expenses

In general, the AIFM is entitled to receive, per Sub-Fund, a management fee as specified in the relevant Appendix of the Placement Memorandum payable monthly in arrears, based on the last available Net Asset Value out of the assets of the relevant Sub-Fund.

The fees payable to any Investment Manager(s), are, unless disclosed otherwise, paid out of the management fee received by the AIFM.

The maximum management fee payable to the AIFM per Class of Shares is disclosed in the Appendix of the relevant Sub-Fund.

The Bank of New York Mellon SA/NV, Luxembourg Branch is entitled, in its capacity as Depositary, to receive a fee for the performance of its duties, as indicated in the fee schedule of the Depositary Agreement. The fees and charges of the Depositary in connection with the investment activities and operations of each Sub-Fund are borne by the concerned Sub-Fund in accordance with common practice in Luxembourg. The amounts effectively paid are disclosed in the annual report of the Fund.

The Bank of New York Mellon SA/NV, Luxembourg Branch is entitled, in its capacity as Administrative Agent, Registrar and Transfer Agent and Paying Agent, to receive a fee for the performance of its duties, as indicated in the Fund Administration Agreement, and, more specifically, in the fee schedule pertaining thereto.

The costs charged to the Fund and the Sub-Funds, as appropriate, also include:

- All taxes which may be due on the assets and the income of the Fund;

- The reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Depositary and any custody charges of banks and financial institutions to whom custody of assets of a Sub-Fund is entrusted;

- Usual banking fees due on transactions involving securities or other assets held in the portfolios of the Fund (such fees to be included in the acquisition price and to be deducted from the selling price);

- The fees and expenses of the pricing agents, legal services and any other service providers;

- Legal expenses incurred by the AIFM while acting in the interests of the Fund;

- The cost of preparing, complying and/or filing reports required under the AIFMD or any other applicable law or regulation;

- The cost of preparing and/or filing the Articles of Incorporation and all other documents concerning the Fund, including registration statements, placement memorandums and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Shares of the Fund; the cost of preparing, in such languages as are necessary for the benefit of the Shareholders (including the beneficial holders of the Shares), and distributing annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the daily Net Asset Value; the cost of preparing and distributing public notices to the Shareholders; lawyers' and auditors' fees; the remuneration and expenses of the Directors; all membership fees paid to professional associations and stock market organizations which the Fund decides to join in its own interest and in the interest of the Shareholders; the costs incurred with the admission and the maintenance of the Shares on the stock exchanges on which they are listed (if listed); and all similar administrative charges, except, unless otherwise decided by the Fund, all advertising expenses and other expenses directly incurred in offering or distributing the Shares.

All recurring charges will be charged first against income, then against capital gains and then against assets. The charges other than recurring charges may be amortized over a period of five (5) years.

Establishment costs in relation to the Sub-Fund, including legal, accounting, travel, meeting, printing, any applicable VAT and other administrative expenses and any organisational expenses and any taxes, fees or other governmental charges in compliance with – and subject to – the limitations foreseen by Luxembourg laws and regulations incurred by the Fund or the AIFM in relation to the set-up of a Sub-Fund prior to launch the investment activities of the Sub-Fund, shall be borne by the relevant Sub-Fund.

Additional or specific fees, charges and expenses may be provided for in the Appendices.

## 22. Auditors

The authorised statutory auditor of the Fund is PricewaterhouseCoopers, *Société Coopérative*. The Auditor is appointed by the general meeting of Shareholders and shall, with respect to the assets of the Fund, carry out the duties provided by the 2007 Law.

# 23. Amendments to the Placement Memorandum

Notwithstanding any other provision of the Placement Memorandum, the Board of Directors may, without the approval of any Shareholder:

(i) set up further Sub-Funds and determine their respective terms and investment policy and amend the Placement Memorandum, as the case may be, in any non-detrimental way as required to accommodate and implement further Sub-Funds;

(ii) enter into agreements with persons that are transferees pursuant to the terms of the Placement Memorandum and the Articles of Incorporation, providing in substance that such transferees will be bound by the Placement Memorandum and the Articles of Incorporation;

(iii) amend the Placement Memorandum as may be necessary or advisable to comply with the 1915 Law, the 2007 Law, the AIFM Law, the Law of 12 November 2004 on the fight against money laundering and terrorist financing (the "**Anti Money Laundering Law**") and any other applicable law and regulations regarding the fight against money laundering and terrorist financing, and any other applicable laws or any amendment thereto and any anti-money laundering or anti-terrorist laws, conditions, guidelines, rules, regulations, directives, opinions, orders, statute or special measures of any governmental entity so long as the change is made in a manner which minimizes any adverse effect on Shareholders;

(iv) amend or waive any provision of the Placement Memorandum, provided that such amendment or waiver shall not be material to the structure and/or operations of the Fund or a Sub-Fund or that could be detrimental to the interests of any Shareholder; and

(v) amend, as the case may be, the Placement Memorandum for the purpose of making investments through several holding companies or other investment vehicles in accordance with the provisions of the Articles of Incorporation;

provided (i) that in each case the amendment is not material to the structure and/or operations of the Fund or a Sub-Fund or that could be detrimental to the interests of any Shareholder, (ii) that Shareholders (of the Fund or the applicable Sub-Fund) are duly informed of any such amendments and (iii) that such amendments are approved by the CSSF, as needed.

The Board of Directors is further authorized to make other amendments to the provisions of the Placement Memorandum that are material to the structure and/or operations of the Fund or a Sub-Fund and detrimental to the interests of the Shareholders of the Fund or a Sub-Fund (such as the change of a fee structure), subject to the approval of the CSSF, provided that such changes shall only become effective and the Placement Memorandum amended accordingly, in compliance with the 2007 Law and to the extent the Board of Directors has obtained the prior approval of such amendments by a decision of the Shareholders (of the Fund or the applicable Sub-Fund), as further specified hereafter.

The consent of the Shareholders (of the Fund or the applicable Sub-Fund) shall be obtained through the adoption of resolutions taken by the concerned (Sub-)Fund Shareholders (each a "**Shareholders Resolution**"). Any Shareholders Resolution shall, unless otherwise stated in this Placement Memorandum, be adopted by the affirmative vote of Shareholders representing at least two thirds (2/3) of the Fund's or the applicable Sub-Fund's voting rights, unless otherwise provided for in a Sub-Fund Appendix.

Shareholders Resolutions may be passed through written resolutions. For Shareholders Resolutions to be passed by way of a written resolution, the proposed resolutions shall be sent to the relevant Shareholders by mail and e-mail, together with a voting form pursuant to which these Shareholders may approve or reject the proposed resolution. Shareholders who have not returned the proposed resolution with their completed voting form within 20 calendar days from the date of such mail and e-mail, will be considered to have not participated in the proposed written resolutions. For the computation of the above-mentioned majority, only voting rights of the Shareholders (of the Fund, or the applicable Sub-Fund) having answered, positively or negatively, will be taken into account.

In any case, should any amendments of this Placement Memorandum entail an amendment of the Articles of Incorporation or require the decision to be made by the general meeting of Shareholders (of the Fund, or the applicable Sub-Fund), such decision shall, additionally, be passed by a resolution of an extraordinary general meeting of Shareholders (of the Fund, or the applicable Sub-Fund) in accordance with the form, quorum and majority requirements set forth in the Articles of Incorporation and in compliance with Luxembourg laws and regulations. At any general meeting of the Shareholders (of the Fund, or the applicable Sub-Fund) called to implement decisions adopted by Shareholders Resolutions, the relevant Shareholders shall vote the Shares held by them in favor of the decision adopted by Shareholders Resolutions.

A resolution to abandon the SIF status shall require the unanimous approval of all Shareholders of the Fund as well as the prior approval of the CSSF.

The implementation of, as the case may be, any of the amendments pertaining to any of the matters referred to above and requiring a CSSF approval shall be suspended until the CSSF approval. Upon amendments to the Placement Memorandum becoming effective, the Board of Directors shall give prompt notice to each Shareholder. For the avoidance of doubt, when changes are made exclusively to a Sub-Fund supplement, the Board of Directors shall only give prompt notice to each Shareholder of the concerned Sub-Fund.

In case of amendments to the Placement Memorandum, and independently if these are material or not material, the Shareholders shall not have a right to request cost-free redemption of their Shares in the Fund.

## 24. Distributions

The distribution policy for each Sub-Fund is disclosed in the relevant Appendix.

A Sub-Fund may not set-off any claims (including those under a funding notice and other events) against claims of a VAG-Investor (e.g. from distributions of such Sub-Fund) if such claims of the VAG-investor are part of its “guarantee reserve” (“*Sicherungsvermögen*” as defined in section 66 VAG or stipulated in section 125 VAG).

For distributing Classes of Shares held through Clearstream or Euroclear, reinvestment of distributions will not be possible and distributions (if any) will be paid in cash regardless of the amount.

## 25. Applicable Law and Jurisdiction

The Articles of Incorporation are governed by, and construed in accordance with, the laws currently in force in Luxembourg and any dispute arising between the Shareholders and the Fund will be subject to the jurisdiction of the competent court of Luxembourg.

In the absence of a direct contractual relationship between the investors and the service providers of the Fund mentioned in section 1 “Directory” above, the investors will generally have no direct rights against service providers and there are only limited circumstances in which an investor can potentially bring a claim against a service provider.

## 26. Governing Language

English shall be the governing language of the Articles of Incorporation.

# 27. Tax Status

**Luxembourg Taxation**

The following information is of a general nature only and is based on the Fund's understanding of certain aspects of the laws and practice in force in Luxembourg as of the date of this Placement Memorandum. It does not purport to be a comprehensive description of all the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it construed to be legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to investors. This summary is based on the laws in force in Luxembourg on the date of this Placement Memorandum and is subject to any change in law that may take effect after such date. Prospective investors should consult their own professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, net wealth tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

**Luxembourg taxation of the Fund**

In accordance with current legislation in Luxembourg, the Fund is exempt from Luxembourg corporate income tax, municipal business tax and net wealth tax, and dividends paid by the Fund (if any) are exempt from dividend withholding tax.

The Fund is as a rule subject to an annual subscription tax (*taxe d'abonnement*) levied at the rate of zero point zero one percent (0.01%) per annum on the Fund's Net Asset Value and calculated on the last Valuation Date of each quarter and is payable in quarterly instalments. The following items are exempt from the subscription tax:

- the value of the assets represented by units held in other undertakings for collective investment, to the extent such units have already been subject to the subscription tax provided by article 68 of the 2007 Law, by Article 174 of the 2010 Law, or by Article 46 of the amended law dated 23 July 2016 on reserved alternative investment funds;

- specialised investment funds as well as individual compartments of specialised investment funds with multiple compartments: (i) the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions, and (ii) the weighted residual portfolio maturity of which does not exceed ninety (90) days, and (iii) that have obtained the highest possible rating from a recognized rating agency;

- specialised investment funds, as well as individual compartments of specialised investment funds with multiple compartments, the securities of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set-up on one or several employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they own, in order to provide their employees with retirement benefits;

- specialised investment funds as well as individual compartments of specialised investment funds with multiple compartments whose main objective is the investment in microfinance institutions.

The establishment of the Fund and the amendments to the Articles of Incorporation are subject to a fixed registration duty of seventy-five Euro (EUR 75.-).

The Fund may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Fund itself is exempt from income tax, withholding tax levied at source, if any, would normally not be refundable and it is not certain whether the Fund itself would be able to benefit from Luxembourg's double tax treaties network. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis.

No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares against cash, except a fixed registration duty of seventy-five Euro (75.-), if such issue implies an amendment to the Articles of Incorporation.

As per current Luxembourg legislation, regulated investment funds, such as SICAV-SIFs, have the status of taxable persons for value added tax purposes. Accordingly, the Fund is considered in Luxembourg as a taxable person for value added tax ("**VAT**") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its investors, to the extent that such payments are linked to their subscription to the Fund's Shares and do not constitute the consideration received for taxable services supplied.

**Taxation of investors**

It is expected that the investors will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Placement Memorandum to summarize the taxation consequences for each investor subscribing or holding or otherwise acquiring or disposing of Shares of the Fund. These consequences will vary in accordance with the law and practice currently in force in an investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

**Taxation of Luxembourg non-resident investors**

Investors, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not liable to any Luxembourg income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares.

Non-resident corporate investors, which have a permanent establishment or a permanent representative in Luxembourg, to which or whom the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which or whom 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.

**Taxation of Luxembourg resident investors**

*Luxembourg resident individuals*

Any dividends and other payments derived from the Shares by resident individual investors, who act in the course of either their private wealth or their professional/business activity, are subject to income tax at progressive ordinary rates.

A gain realized upon the sale, disposal or redemption of Shares by Luxembourg resident individual investors, acting in the course of the management of their private wealth, is not subject to Luxembourg income tax, provided this sale, disposal or redemption took place more than six (6) months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as substantial shareholding in limited cases, in particular if (i) the investor has held, either alone or together with his spouse or partner and/or his minor children, either directly or indirectly, at any time within the five (5) years preceding the realization of the gain, more than ten percent (10%) of the share capital of the Fund or (ii) the taxpayer 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 5-year period). Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are subject to income tax 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 shareholding.

Capital gains realized on the disposal of the Shares by a resident individual investor, who act 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 corporate residents*

Luxembourg resident corporate investors (*sociétés 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. 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 recovered or redeemed.

*Luxembourg resident companies benefiting from a special tax regime*

Luxembourg corporate resident investors which are companies benefiting from a special tax regime, such as (i) UCIs governed by the 2010 Law, (ii) SIFs subject to the 2007 Law, (iii) family wealth management companies governed by the amended law of 11 May 2007, and (iv) reserved alternative investment funds governed by the amended law of 23 July 2016 (and opting for the treatment as a SIF) are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

**Net Wealth Tax**

Luxembourg resident investors and non-resident investors who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if the investor is (i) a resident or non-resident individual taxpayer, (ii) a UCI subject to the 2010 Law, (iii) a securitization company governed by the amended law of 22 March 2004 on securitization, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a SIF governed by the 2007 Law, (vi) a family wealth management company governed by the amended law of 11 May 2007, a (vii) professional pension institution governed by the amended law dated 13 July 2005, or (viii) a reserved alternative investment fund governed by the law of 23 July 2016.

However, (i) a securitization company governed by the amended law of 22 March 2004 on securitization, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law dated 13 July 2005, as well as (iv) an opaque reserved alternative investment fund governed by the amended law of 23 July 2016 (and opting for the treatment as a venture capital vehicle) remain subject to minimum net wealth tax.

**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 / her taxable basis for inheritance tax purposes. No inheritance tax is levied on the transfer of the Shares upon death of an investor in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Luxembourg gift tax may be levied on a gift or donation of the Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

**Exchange of Information – Common Reporting Standard**

Capitalised terms used in this section should have the meaning as set forth in the CRS Law as defined above, 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 common reporting standard ("**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 under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The Luxembourg law dated 18 December 2015, as amended or supplemented from time to time, implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law (the "**CRS Law**").

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund will be required to annually report to the Luxembourg tax authorities ("**LTA**") personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Shareholders qualifying as Reportable Persons and (ii) Controlling Persons of passive 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.

Additionally, and as further detailed under the section 30 of this Placement Memorandum, the Fund is responsible for the processing of personal data and each investor has notably a right to access his/her data communicated to the LTA and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Laws (as defined under section 30 of this Placement Memorandum).

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law.

Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

The Shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). 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 authorities.

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

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

Any Shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Shareholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA and the Fund may, in its sole discretion, redeem the Shares of such Shareholder.

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

**Exchange of information - FATCA**

Capitalized terms used in this section should have the meaning as set forth in the FATCA Law (as defined below), unless provided otherwise herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities. As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the Luxembourg law of 24 July 2015, as amended or supplemented from time to time (the "**FATCA Law**"), which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the LTA (*administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the Fund to regularly obtain and verify information on all of its Shareholders. Upon request of the Fund, each Shareholder shall agree to provide certain information, including, in case of investors qualifying as a Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its Shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the LTA for the purposes set out in the FATCA Law. Such information will be relayed by the LTA to the IRS.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, and as further detailed under the section 30 of this Placement Memorandum, the Fund is responsible for the processing of personal data and each Shareholder has notably a right to access his/her data communicated to the LTA and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Laws (as defined under section 30 of this Placement Memorandum).

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses. A failure for the Fund to obtain such information from each Shareholder and to transmit it to the LTA may trigger the thirty percent (30%) withholding tax to be imposed on payments of U.S. source income and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends as well as penalties.

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

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

**Exchange of information – DAC 6**

Additionally, on 21 March 2020, the Luxembourg Parliament voted to approve the Bill (n°7465) implementing the Directive (EU) 2018/822 on mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements ("DAC 6 Law"). The main objective of DAC 6 is to strengthen tax transparency by way of automatic exchange of information between the EU Member States on potentially “aggressive tax planning” arrangements.

As further detailed under the section 30 of this Placement Memorandum, the Fund is responsible for the processing of personal data and each investor has notably a right to access his/her data communicated to the LTA and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Laws (as defined under section 30 of this Placement Memorandum).

The Fund's ability to satisfy its reporting obligations under the DAC 6 Law will depend on each Shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the DAC 6 Law.

Additionally, the Fund is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the LTA and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

The Shareholders are further informed that the Information related to reportable arrangements will be disclosed to the LTA for the purposes set out in the DAC 6 Law. The LTA will, under their own responsibility, eventually exchange the reported information to the competent authority of a concerned EU Member State(s).

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the DAC 6 Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as result of the DAC 6 Law, the value of the Shares held by the Shareholders may suffer material losses.

Any Shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Shareholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA and the Fund may, in its sole discretion, redeem the Shares of such Shareholder.

Investors should consult their own tax advisor or otherwise seek professional advice regarding the impact of the DAC 6 Law on their investment.

## 28. Accounting Year, reports and financial statements

The accounts of the Fund and the Sub-Fund(s) are closed each year on 31st December.

Each year, the Fund will issue an audited annual report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund.

The financial statements of the Fund will be prepared in accordance with Lux GAAP.

## 29. Information

The audited annual reports, the Articles of Incorporation and the Placement Memorandum are made available free of charge at the offices of the Fund and the AIFM.

The reports will contain information on each Sub-Fund and the Fund. Any other financial information concerning the Fund, including the Net Asset Value per Class of Shares of each Sub-Fund and any suspension of such valuation, will be made available at the offices of the Fund, the AIFM and the Depositary.

Unless otherwise provided in this Placement Memorandum, all notices to Shareholders will be sent to Shareholders at their address indicated in the register of Shareholders. If deemed necessary or required by law, notices will be published in a newspaper and in the *Recueil électronique des sociétés et associations* (RESA) or in any other manner prescribed by law.

Shareholders can inspect free of charge, during business hours on each Business Day at (i) the registered office of the Fund, and (ii) the AIFM:

(1) The Articles of Incorporation (copy of which may be obtained at the registered offices of the Fund and the AIFM without cost);

(2) The Depositary Agreement between the Fund and the Bank of New York Mellon SA/NV, Luxembourg Branch;

(3) The Fund Administration Agreement between the Fund, the AIFM and the Bank of New York Mellon SA/NV, Luxembourg Branch;

(4) The Investment Management Agreement(s) between the AIFM and the Investment Manager(s);

(5) The sub-investment management agreements between the Investment Manager and any sub-investment manager, if any;

(6) The articles of incorporation of the AIFM;

(7) The latest annual reports of the Fund;

(8) Description on how the AIFM complies with the requirement of the article 8(7) of the AIFM Law and article 14 of the AIFM Regulation; and

(9) Complaints handling policy.

Additional periodical publications (including, if available for the relevant Class of Shares, the historical performance) will be made available to the Shareholders upon request at the offices of the Fund and the AIFM.

All information to be disclosed to investors pursuant to article 21 of the AIFM Law, is contained in this Placement Memorandum, Sub-Fund Appendices, the Articles of Incorporation, the subscription agreement, any side letters and in the reports referred to herein.

Other information on the Fund and its Sub-Funds might be made available to Shareholders through a restricted website.

Access to such website, if any, can be granted to Shareholders by contacting the AIFM.

As required by the AIFM Law, and to the extent only that such requirements are applicable, the following information shall be periodically provided to Shareholders by means of disclosure in the annual report of the Fund or; if the materiality so justifies, notified to Shareholders:

(a) the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature;
(b) any new arrangements for managing the liquidity of the Fund;

(c) the current risk profile of the Fund and the risk management systems employed by the AIFM to manage these risks;

(d) any changes to the maximum level of leverage which a Sub-Fund as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement; and

(e) the total amount of leverage employed by that Sub-Fund.

Any change to the investment objective and/or the investment policy of a Sub-Fund shall be reflected in this Placement Memorandum upon prior approval of the Board of Directors and the CSSF and any material change shall be notified to Shareholders in accordance with applicable Luxembourg regulatory requirements.

The annual general meeting of Shareholders will be held within six (6) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of Shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other general meetings of Shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund.

Furthermore the Board of Directors may call meetings of a Sub-Fund and/or a Class of Shares which may pass resolutions concerning matters limited to the affairs of the relevant Sub-Fund and/or Class of Shares. Each Share of whatever Class and regardless of the Net Asset Value per Share within its Class is entitled to one vote subject to the restrictions contained in the Articles of Incorporation. A Shareholder may act at any meeting of Shareholders by appointing another person as his proxy in writing by mail or facsimile or if allowed in the convening notice to the meeting of Shareholders by electronic mail or by any other means of communication. Such proxy shall be deemed valid, provided that it is not revoked, for any reconvened Shareholders' meeting. Voting in respect of fractions of Shares is not permitted.

Except as otherwise required by law or as otherwise provided herein, resolutions at a meeting of Shareholders duly convened will be passed by a simple majority of votes cast. Votes cast shall not include votes in relation to the Shares represented at the meeting but in respect of which the Shareholders have not taken part in the vote or have abstained or have returned a blank or invalid vote.

The Board of Directors may determine all other conditions that must be fulfilled by Shareholders for them to take part in any meeting of Shareholders.

Notices of all general meetings are sent by mail to all registered Shareholders at their registered address at least eight (8) days prior to the meeting or, if the Shareholders have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such other means of communication. Such notice will indicate the time and place of the meeting, the conditions of admission thereto, will contain the agenda and refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at the meeting. To the extent required by law, further notices might be published in the *Recueil électronique des sociétés et associations* (RESA) and in Luxembourg newspaper(s) and in any such other newspaper as the Board of Directors may decide or in any other manner prescribed by law.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of Shareholders may provide that the quorum and the majority for a general meeting shall be determined according to the Shares issued and outstanding at a certain date and time preceding the general meeting (the "**Record Date**"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to their Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

# 30. Data Protection

In compliance with the provisions of the applicable Luxembourg data protection law (including but not limited to the Luxembourg law of 1st August 2018 organizing the National Commission for data protection and the general system on data protection, as amended from time to time),EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the “**GDPR**”) (collectively hereinafter the “**Data Protection Laws**”), the Fund, acting as a data controller (the “**Data Controller**”), collects stores and processes by electronic or other means the data supplied by Unitholders and/or prospective Unitholders (or if the Unitholders and/or prospective Unitholders is a legal person, any natural person related to it such as its contact person(s), employee(s), trustee(s), nominee(s), agent(s), representative(s) and/or beneficial owner(s)) (the “**Data Subjects**”) at the time of their subscription for the purpose of fulfilling the services required by them and complying with its legal obligations.

The data processed include the name, the address, banking details, the commitment and/or invested amount of each Data Subject (or of the Data Subject’s contact person(s) and/or beneficial owner(s)) (the “**Personal Data**”). As part of its compliance with legal obligations such as AML/KYC, the Data Controller may be required to process special categories of Personal Data as defined by the GDPR, including Personal Data relating to political opinions as well as criminal convictions and offences.

Data Subjects may, at their discretion, refuse to communicate the Personal Data to the Data Controller. In this event however the Data Controller may reject their request for subscription for Shares in the Fund.

Data Subjects who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Data Controller in compliance with the Data Protection Laws, including, where appropriate, informing the relevant Data Subjects of the contents of the present section, in accordance with Articles 12, 13 and/or 14 of the GDPR.

Personal Data supplied by Data Subjects are processed in order to enter into and execute the subscription in the Fund (i.e. to perform any pre-contractual measures as well as the contract entered into by the Data Subjects), for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller.

In particular, the Personal Data supplied by Data Subjects are processed for the purposes of (i) administering the holdings in the fund (ii) maintaining the register of Unitholders; (ii) processing acquisition and redemptions of Units and distribution to Unitholders; (iii) complying with applicable anti-money laundering rules and other legal obligations (including laws and regulations relating to FATCA, CRS or DAC 6), such as maintaining controls in respect of late trading and market timing practices.

In addition, Personal Data may be processed for the purposes of marketing. Each Data Subject has the right to object to the use of his/her Personal Data for marketing purposes by writing to the Fund at 4a, rue Albert Borschette, L-1246 Luxembourg, Grand-Duchy of Luxembourg.

The “legitimate interests” of the Data Controller referred to above are:

(a) the processing purposes of marketing;

(b) the provision of the proof, in the event of a dispute, of a transaction or any commercial communication as well as in connection with any proposed purchase, merger or acquisition of any part of the Fund’s business;

(c) compliance with foreign laws and regulations and/or any order of a foreign court, government, supervisory, regulatory or tax authority; and

(d) exercising the business of the Fund in accordance with reasonable market standards.

To this end, Personal Data may be transferred to affiliated and third-party entities supporting the activities of the Fund which include, in particular, the AIFM, the Depositary, the Investment Management, the Registrar and Transfer Agent, the Auditor, the Legal Advisors, the financial intermediaries of the Investors, the Administrative Agent as well as any other third party supporting the activities of the Data Controller (the “**Recipients**”) that are located in the European Union or EFTA (European Free Trade Agreement) member countries. The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the “**Sub-Recipients**”), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations.

As rule, all Recipients are located inside the EEA. However, where a Recipient would be located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data or does not benefit from an adequacy decision of the European Commission, the Data Controller would enter into legally binding transfer agreements with the relevant Recipients in the form of the European Commission approved model clauses. In this respect, the Data Subjects would have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data on behalf and upon instructions of the Data Controller and/or the Recipients), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

Personal Data may also be disclosed to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose it to foreign tax authorities.

Under certain conditions set out by the Data Protection Laws, each Data Subjects has a right (i) to access his/her Personal Data, (ii) to ask for a rectification thereof in cases where such Personal Data are inaccurate and/or incomplete, (iii) to object to the processing of his/her Personal Data, (iv) to restrict the use of his/her Personal Data, (v) to ask for erasure of such data, and (vi) to ask for data portability.

In relation thereto, Data Subjects may exercise the above rights by contacting the Fund in this regard at 4a, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg.

Each Data Subject also has a right to lodge a complaint with the Luxembourg data protection Authority (the “**CNPD**”) at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand-Duchy of Luxembourg; or with any competent data protection supervisory authority of their EU Member State of residence.

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to statutory periods of limitation.

# 31. Fight Against Money Laundering and Terrorist Financing

Pursuant to Luxembourg laws and regulations, and in particular the Luxembourg Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the "**Anti Money Laundering Law**"), the CSSF Regulation 12-02 on the fight against money laundering and terrorist financing, as amended from time to time, as well as all other applicable Luxembourg laws, regulations and circulars issued by the CSSF hereon, which are fully compliant with the recommendations of the Financial Action Task Force ("**FATF**") regarding the fight against money laundering and also the special recommendations on terrorist financing, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes.

As a result of such provisions, a registrar agent acting on behalf of a Luxembourg undertaking for collective investment must ascertain the identity of the investors. Accordingly, the Paying Agent, Registrar and Transfer Agent may require, pursuant to its risk-based approach, investors to provide proof of identity. In any case, the Administrative Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons unless if required by applicable laws and regulations.

Subscribers for Shares will be required to provide to the Fund or the Administrative Agent information set out in the subscription form, depending on their legal form (individual, corporate or other category of subscriber).

Failure to provide information or documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in the Grand Duchy of Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

In addition and when applicable, the Fund will ensure that an enhanced due diligence will be performed on intermediaries, if shares of the Fund are subscribed through an intermediary acting on behalf of his customers. Such enhanced due diligence measures apply mutatis mutandis pursuant to the terms of article 3-2 (3) of the Anti-Money Law, article 3 (3) of the Grand-ducal regulation of 1 February 2010 and articles 3 and 28 of CSSF Regulation 12-02.

The Fund ensures due diligence and regular monitoring on both the customers and the asset side of the Fund (i.e. including in the context of acquisition and disposition of the Fund's assets), in accordance with Articles 3 (7) and 4 (1) of the Anti Money Laundering Law and number 309 of CSSF Circular 18/698. The Fund also ensures due diligence and regular monitoring on borrowers, loan beneficiaries and/or potential other lending parties, also considering any links between beneficiaries of loans and investors in the Fund, if lending activities (including the origination of debt) are performed on the asset side of a Sub-Fund.

The Fund should assess, considering its risk-based approach, the extent to which the offering of its products and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system. As a general rule, the Fund will perform target financial sanction screening as well as due diligence (i) on the parties to a transaction when acquiring or disposing the assets of Fund or (ii) on borrowers, loan beneficiaries and/or potential other lending parties if lending activities (including the origination of debt) are performed on the asset side of a Sub-Fund. Such due diligence entails notably (i) a targeted financial sanctions screening, (ii) identification and verification of the identity of the parties to a transaction or lending activities as well as of their beneficial owner.

# 32. Risk Management & Risk Considerations

The AIFM employs a risk-management process which enables it to detect, measure, manage and monitor the risk of the positions and their contribution to the overall risk profile of each Sub-Fund as well as notably allowing for a robust liquidity management.

**1. General Risk Considerations**

An investment in the Fund involves certain risks relating to the particular Fund's structure and investment objectives which investors should evaluate before making a decision to invest in the Fund.

The investments in the Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objectives of the Fund will be achieved.

Investors should make their own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in investment in the Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in the Fund, careful consideration should be given to all of the risks attached to investing in the Fund.

The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Placement Memorandum. The following however, does not purport to be a comprehensive summary of all the risks associated with investments in the Fund.

**An investment in Shares carries substantial risk and is suitable only for investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the Fund.**

**2. Specific Risk Considerations**

**Depositary risk**

Where securities are held with a correspondent/sub-custodian of the Depositary or by a securities system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Fund may have to share that shortfall on a pro-rata basis. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depositary has discharged its responsibility in compliance with articles 19(13) and 19(14) of the AIFM Law.

Where laws of a third country require that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirements under the AIFM Law, the Depositary can discharge itself of liability in certain circumstances under certain conditions.

In the event that the Fund invests in assets through financial and, as the case may be, or legal structures which it/the AIFM does not directly or indirectly control, the Depositary is under no obligation to carry out its duties on a look through basis down to the underlying assets and will not do so.

**Attention should be drawn to the fact that the Net Asset Value of the Fund can go down as well as up. An investor may not get back the amount he has invested. No guarantee as to future performance or future return from the Fund can be given.**

**Pricing and Valuation Risk / Liquidity Risk**

Investors should acknowledge that the portfolio of the Fund will be composed of assets with a market liquidity that could be materially affected within short period of time by different economic factors, such as the change in interest rates and credit availability that could in turn affect the value and liquidity of portfolio investments. The valuation of the portfolio investments and the production of the Net Asset Value calculation will be a complex process which might in certain circumstances require the AIFM to make certain assumptions in order to enable the finalisation of the necessary calculations. The lack of an active public market for the portfolio investments will make it more difficult and subjective to value investments for the purposes of determining the Net Asset Value.

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the-counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request

**Counterparty Risk**

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-Fund has deposited cash with a financial institution or invests into debt securities and other fixed income instruments. Counter party risk may also arise when a Sub-Fund enters into OTC financial derivative instruments, or enters into securities lending transactions, repurchase agreements and buy-sell back transactions.

**Volatility Risk**

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-Fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

**Economic and Political Risk**

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic or political conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular, industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance.

**Operational / Structural Risk**

The Fund's operational risks include direct or indirect economic loss, which is caused by inadequate or failed internal processes, systems, personnel or external factors. This includes legal, money laundering, risks of financing terrorism and IT security risks.

**Sustainability risks**

A sustainability risk is an event or situation in the environmental, social or governance field which, if it occurs, could have a material adverse effect, actual or potential, on the value of the investment. Sustainability risks may have a significant impact on the different risk types displayed in this section and contribute as a factor to the materiality of these risk types.

In addition to that, the AIFM distinguishes sustainability risks in accordance with the concept of "double materiality":

- The outside-in perspective focusses on our investment's exposure to sustainability risks (e.g. harmful physical effects of climate change on our invested assets) and monitored through climate risk tools for both physical and transition risk.
- The inside-out perspective considers the impact of our investments to public sustainable goals such as the Paris Agreement (limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels) and monitored with Principle Adverse Impact (PAI) KPIs.

The investments of the Fund do not necessarily take the EU criteria for environmentally sustainable economic activities into account. Criteria may be additionally specified in the relevant Sub-Fund Appendix.

More product-specific information as well as further information relating to the Fund's environmental and/or social characteristics, including information on the methods used to measure the attainments of the environmental and/or social characteristics promoted by the Fund can be found at the following website: https://funds.swisslife-am.com/en.

**Identification of the risk profile of the Fund**
The risk profile of the Fund is defined during the initial fund set-up and is periodically reviewed. It reflects market risks, credit and counterparty risks, liquidity risks, operational risks and special risks inherent to the Fund, which are identified after an analysis of the aforementioned structure, strategies and investment objectives of the Fund.

**FATCA and CRS**

Under the terms of the FATCA Law and CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund 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 Fund become subject to a withholding tax and/or penalties as a result of non-compliance under the FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the value of the Shares held by all Shareholders may be materially affected.

Furthermore, the Fund may also be required to withhold tax on certain payments to its Shareholders which would not be compliant with FATCA (i.e. the so-called foreign pass thru payments withholding tax obligation).

**3. Sub-Fund Specific Risk Considerations**

Risk consideration specific to a Sub-Fund are set out in the Sub-Fund Appendix.

# 33. Indemnification

Each director, officer and employee of the Fund (the "**Indemnified Persons**") shall be indemnified to the fullest extent permitted by law against any liability, and against all expenses reasonably incurred or paid by him in connection with any claim, action, suit or proceeding which he becomes involved as a party or otherwise by virtue of his being or having been such a director, officer or employee of the Fund. The words "claim", "action", "suit" or "proceeding" shall apply to all claims, actions, suits or proceedings (civil, criminal or otherwise including appeals) actual or threatened and the words "liability" and "expenses" shall include without limitation attorneys' fees, costs, judgments, amounts paid in settlement and other liabilities.

No indemnification shall be provided to any director or officer (i) against any liability to the Fund or its shareholders by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office (ii) with respect to any matter as to which he shall have been finally adjudicated to have acted in bad faith and not in the interest of the Fund or (iii) in the event of a settlement, unless the settlement has been approved by a court of competent jurisdiction or by the Board of Directors or as to which the Fund is advised by counsel that the person to be indemnified did not commit such a breach of duty.

The right of indemnification herein provided shall be severable, shall not affect any other rights to which any director or officer may now or hereafter be entitled, shall continue as to a person who has ceased to be such director or officer.

Expenses in connection with the preparation and representation of a defence of any claim, action, suit or proceeding of the character described in this article shall be advanced by the Fund prior to final disposition thereof upon receipt of any undertaking by or on behalf of the officer or director, to repay such amount if it is ultimately determined that he is not entitled to indemnification under this article.

The Fund shall not indemnify the Indemnified Persons in the event of claim resulting from legal proceedings among the Indemnified Persons.

# APPENDIX I

Relating to the Sub-Fund

## Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans I

### 1. Name of the Sub-Fund

Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans I (the "**Sub-Fund"** in this Appendix I).

### 2. Investment Objective and Investment Guidelines

2.1 Investment Objective

The Sub-Fund's investment objective is to provide a high level of current income, consistent with the preservation of capital, by investing mainly in adjustable rate senior loans ("**Senior Loans**") either directly or indirectly.

2.2 Investment strategy for the Sub-Fund

Senior Loans are business loans made to Borrowers (as defined below) that may be corporations, partnerships or other entities.

These Borrowers may operate in a variety of industries and geographic regions. Senior Loans generally are negotiated between a Borrower and several financial institution lenders represented by one or more lenders acting as agent for all the lenders. The agent is responsible for negotiating the loan agreement that establishes the terms and conditions of the Senior Loan and the rights of the Borrower and the lenders. Senior Loans may include loans such as syndicated loans, senior leveraged loans, mezzanine loans, revolver loans, delayed draw term loans, second-lien loans, floating-rate note (FRN) and senior debt that are in the form of notes.

Investments into any other loan investment funds are permitted.

The Sub-Fund may on an ancillary basis only, invest in exchange traded funds (so called ETFs).

The Sub-Fund will invest directly or indirectly at least 85% of its Net Asset Value in first lien senior secured loans (no participations, derivatives, or the like).

The Sub-Fund may also invest in US short term treasury bills.

The Sub-Fund may also invest up to 15% of its Net Asset Value in:

- second lien Senior Loans;
- collateral loan obligations;
- high yield bonds and investment grade bonds;
- equities (and other assets) received in connection with the investment in a Senior Loan or as the result of rights arising out of bankruptcy proceedings relating to Borrowers;
- government bonds (excluding those qualifying as liquid assets).

The investment of assets will be made in accordance with the principle of risk diversification, meaning that, in addition to any general investment restrictions included in section 9 of the Placement Memorandum, the Sub-Fund will at all-time invest at a minimum, in more than three assets with different risk profiles, complying with the principle of risk diversification (Please refer to the General Investment Restrictions in section 9 of the Placement Memorandum).

Each Sub-Fund may, on an ancillary basis, hold Liquid Assets when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. In exceptional market circumstances and on a temporary basis only, 100% of the Sub-Fund's net assets may be invested in Liquid Assets, with due regard to the principle of risk spreading.

Investments of the Sub-Fund in currencies other than the Reference Currency may be hedged against the Reference Currency.

The Sub-Fund does not systematically integrate ESG criteria into its investment decision-making process since the application of ESG Criteria on the underlying assets are not possible or allowed. Sustainability risks are therefore not integrated into the investment decision-making process.

The underlying investments of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

On the level of the Sub-Fund the principal adverse impacts on sustainability factors, are not being considered since they are not in scope of the investment strategy.

"**Borrower(s)**" mean borrower(s) of the Senior Loans or any other loans to be invested in by the Sub-Fund, issuers of bonds or any other securities to be invested in by the Sub-Fund, or obligors of the collateral loan obligations or any other financial instruments to be invested in by the Sub-Fund.

### 3. Specific Investment Restrictions for the Sub-Fund

In addition to the General Investment Restrictions, the investment restrictions set out below (the "**Specific Investment Restrictions**") shall apply to the Sub-Fund:

a. The Sub-Fund may invest up to five percent (5.0%) of its Net Asset Value in loans made to and securities of any single Borrower. Investments in government bonds are not subject to this restriction.

b. The Sub-Fund currently does not intend to invest more than 30% of its Net Asset Value in obligations of Borrowers pertaining to any single industry (as defined by Bloomberg's industry group used for their indices). Investments in government bonds are not subject to this restriction.

c. The Sub-Fund may not invest in unfunded revolver loans. For the purposes of these Specific Investment Restrictions, "unfunded revolver loans" means revolver loans which are entirely unfunded at the time of purchase by the Sub-Fund.

d. The Sub-Fund can invest in Senior Loans with a public or private facility rating of "Baa1" through "B3" by Moody's or "BBB+" through "B-" by Standard & Poor's, it being understood that such ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction.

e. In case of a split rating between Standard & Poor's and Moody's that differs by two or more major rating steps for a specific facility, the worse of the two ratings must be considered in the investment decision. The Sub-Fund, however, may under no circumstances actively buy any securities rated below B- by Standard & Poor's or below B3 by Moody's. For the avoidance of doubt, ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction. However, the Sub-Fund may invest in non-rated assets in the sole discretion of the Investment Manager based on its internal investment procedures.

f. As a matter of clarification, the Sub-Fund may not issue or grant any loans or guarantees in favor of any third party.

g. The Sub-Fund will not invest in short sales or uncovered short sales.

h. The Sub-Fund will not invest or use securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

i. The Sub-Fund will not make use of derivative financial techniques and instruments for efficient portfolio management purposes.

j. The Sub-Fund will not perform any loan origination.

k. The Sub-Fund will not give any loans to the public, the AIFM, delegates or related parties.

l. The Sub-Fund may borrow up to 10% of its NAV on a temporary basis, not exceeding 12 months, for investment or liquidity management purposes.

For the avoidance of doubt, the Sub-Fund will invest in line with CSSF Circular 07/309.

If the Net Asset Value of the Sub-Fund is below U.S. dollar 200 million, the investment objectives and the Specific Investment Restrictions for the Sub-Fund may not be complied with. It being understood that the General Investment Restrictions always have be complied with prior to the entering into liquidation.

In accordance with section 9 of the Placement Memorandum, the *Investment Restrictions and investment guidelines in respect to diversification requirements* may be derogated from for a period of twelve (12) months after launch of a Sub-Fund.

## 4. Leverage

Within the meaning of the AIFM Law, leverage is any method by which the Investment Manager increases the exposure of the Fund whether through borrowing of cash or transferable securities, or leverage embedded in derivative positions or by any other means (the "**Leverage**").

Leverage is calculated in accordance with the AIFM Law and section 2 of the Commission Delegated Regulations (EU) N° 231/2013 supplementing the AIFMD, and thus in accordance with the gross method or the commitment method as set forth therein.

Leverage is controlled on a frequent basis and is expected not to exceed (as a ratio of the exposure of the Sub-Fund and its Net Asset Value) two hundred and fifty percent (250%) when using the gross method and one hundred and fifteen percent (115%) when using the commitment method.

The Sub-Fund is not reusing collateral or any guarantee under the Sub-Funds' leveraging arrangements.

## 5. Risk Factors

5.1 *Fluctuation of the Net Asset Value of the Shares*
The Net Asset Value of the Shares and income from them may fall as well as rise. On the redemption of Shares, the Shareholder may receive back an amount less than the original amount of his investment.

5.2 *Senior Loans*
There is less readily available, reliable information about most Senior Loans than is the case for many other types of securities or other assets including loans and similar types of investments. In addition the Investment Manager relies primarily on its own evaluation of Borrower credit quality rather than on any available independent sources. As a result, the Sub-Fund is particularly dependent on the analytical abilities of the Investment Manager.

Senior Loans generally are not listed on any national securities exchange or automated quotation system and no active trading market exists for many Senior Loans. As a result, many Senior Loans are illiquid, meaning that the Sub-Fund may not be able to sell them quickly at a fair price and/or that the redemptions may be delayed due to illiquidity of the Senior Loans. The market for illiquid securities is more volatile than the market for liquid securities.

The market could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates. Extraordinary and sudden changes in interest rates could disrupt the market for Senior Loans. Many Senior Loans, however, are of a large principal amount and are held by a large number of owners. This may enhance their liquidity. In addition, in recent years the number of institutional investors purchasing Senior Loans has increased. Illiquid securities are also difficult to value.

5.3 *Credit Risk of Borrower*
Senior Loans whether they are directly invested in by the Sub-Fund, like most other debt obligations, are subject to the risk of default. Default in the payment of interest or principal on a Senior Loan results in a reduction in income to the Sub-Fund, a reduction in the value of the Senior Loan and a potential decrease in the Net Asset Value of the Sub-Fund.

The Sub-Fund may acquire Senior Loans of Borrowers that are experiencing, or are more likely to experience, financial difficulty, including Senior Loans of Borrowers that have filed for bankruptcy protection. Borrowers may have outstanding debt obligations that are rated below investment grade. More recently, rating agencies have begun rating Senior Loans, and Senior Loans in the Sub-Fund's portfolio may themselves be rated below investment grade. The Sub-Fund may invest a substantial portion of its assets in Senior Loans of Borrowers that have outstanding debt obligations rated below investment grade or that are unrated but of comparable quality to such securities. Debt securities rated below investment grade are viewed by the rating agencies as speculative and are commonly known as "junk bonds". Senior Loans may not be rated at the time that the Sub-Fund purchases them. If a Senior Loan is rated at the time of purchase, the Investment Manager may consider the rating when evaluating the Senior Loan but, in any event, does not view ratings as a determinative factor in investment decisions. As a result, the Sub-Fund is more dependent on the Investment Manager's credit analysis abilities. Because of the protective terms of Senior Loans, the Investment Manager believes that the Sub-Fund is more likely to recover more of its investment in a defaulted

Senior Loan than would be the case for most other types of defaulted debt securities. The values of Senior Loans of Borrowers that have filed for bankruptcy protection or that are experiencing payment difficulty could be affected by, among other things, the assessment of the likelihood that the lenders ultimately will receive repayment of the principal amount of such Senior Loans, the likely duration, if any, of a lapse in the scheduled payment of interest and repayment of principal and prevailing interest rates. There is no assurance that the Sub-Fund will be able to recover any amount on Senior Loans of such Borrowers.

In the case of collateralized Senior Loans, there is no assurance that sale of the collateral would raise enough cash to satisfy the Borrower's payment obligation or that the collateral can or will be liquidated. In the event of bankruptcy, liquidation may not occur and the court may not give lenders the full benefit of their senior positions. If the terms of a Senior Loan do not require the Borrower to pledge additional collateral in the event of a decline in the value of the original collateral, the Sub-Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Senior Loans. To the extent that a Senior Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose all of its value in the event of bankruptcy of the Borrower. Uncollateralized Senior Loans involve a greater risk of loss.

In addition to the credit risk of Borrowers in connection with Senior Loans, there are special risk considerations associated with investing in loans, bonds, equities, warrants and any other securities. Even though the Sub-Fund may invest in government bonds, government guaranteed bonds, bonds issued by supranational authorities and other permitted securities, such securities are subject to credit risk and market risk. Credit risk means such securities are subject to the risk of a Borrower's inability to meet principal and interest payments. Market risk means such securities may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the Borrower and general market liquidity.

5.4 *Interest Rates and Maturity*

Interest rates on Senior Loans adjust periodically. The interest rates are adjusted based on a base rate plus a premium or spread over the base rate. The base rate for US Dollar denominated Senior Loans usually is the London Inter-Bank Offered Rate ("**LIBOR**"), the prime rate offered by one or more major United States banks (the "**Prime Rate**") or the certificate of deposit rate (the "**CD Rate**") or other base lending rates used by commercial lenders. The base rate for Euro denominated Senior Loans usually is the European Inter-Bank Offered Rate ("EURIBOR"). LIBOR, as provided for in loan agreements, usually is an average of the interest rates quoted by several designated banks as the rates at which they pay interest to major depositors in the London interbank market on U.S. Dollar denominated deposits. The Investment Manager believes that changes in short-term LIBOR rates are closely related to changes in the Federal Reserve federal funds rate, although the two are not technically linked. The Prime Rate quoted by a major U.S. bank is generally the interest rate at which that bank is willing to lend U.S. Dollars to the most creditworthy Borrowers, although it may not be the bank's lowest available rate. The CD Rate, as provided for in loan agreements, usually is the average rate paid on large certificates of deposit traded in the secondary market. Since 2021, the LIBOR is gradually being replaced by the secured overnight financing rate (SOFR). SOFR is a secured, overnight funding rate based on US Treasury repo transactions. The Alternative Reference Rates Committee (ARRC), appointed by the Federal Reserve Bank of New York, requires all LIBOR rate contracts to be replaced by SOFR by end of June of 2023.

When interest rates rise, the values of fixed income securities generally decline. When interest rates fall, the values of fixed income securities generally increase. The Investment Manager believes that investing in adjustable rate Senior Loans should limit fluctuations in the Net Asset Value of the Sub-Fund caused by changes in interest rates. The Investment Manager expects the values of its Senior Loan investments to fluctuate less than the values of fixed rate, longer-term income securities in response to the changes in interest rates. Changes in interest rates can, however, cause some fluctuation in the Net Asset Value of the Sub-Fund.

5.5 *Exchange Risk*

As the Sub-Fund will invest in securities and other assets including loans and similar types of investments that may be denominated in currencies other than a currency of a Class of Shares of the Sub-Fund, changes in the exchange rates of such currencies of the investments relative to the currencies of Shares will affect the value of Shares of the Sub-Fund.

5.6 *Sustainability (related) risks and its likely impact on the performance*

Sustainability Risks may have a significant impact on some of the other risk types described in this section and contribute as a factor to the materiality of these risk types.
An issuer that engages in activities that seriously undermine one or more of the sustainability factors is exposed, among others, to reputational and market risk that could adversely affect the value of financial instruments issued by it and held by the fund. Exposure to this risk could therefore result in a decrease in the net asset value.

Such risk is also linked to climate-related events resulting from climate change (called physical risks) or to the society's response to climate change (called transition risks), which may result in unanticipated losses that could affect the Sub-Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, 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 impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. As all sub funds are in principal geographically, sectorial and asset class diversified, there is no particular concentration amplifying the risk.

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.

**6.** Investment Manager

The AIFM has delegated the portfolio management and has appointed Swiss Life Asset Management AG (the "**Investment Manager**" in this Appendix I) to act as investment manager and make, subject to the overall control and responsibility of the AIFM, discretionary investments with respect to the investment and reinvestment of the assets of the Sub-Fund. The Investment Management Agreement with the Investment Manager was entered into on 27 September 2017 with an effective date of 19 September 2017.

As part of the performance of the services delegated by the AIFM, the Investment Manager may use the support of resources of other entities of the Swiss Life Group, but shall remain in any case fully responsible for the performance of the discretionary investment decisions with respect to the investment and reinvestment of the assets of the Sub-Fund.

The Investment Manager may delegate, at its own expense and with prior written approval of the AIFM, any or all of its duties to other companies, provided that the Investment Manager shall remain responsible for the acts and omissions of any such delegate in relation to such duties delegated to it as if such acts or omissions were those of the Investment Manager.

The Investment Manager advises and represents clients worldwide in providing its investment management services. In providing services to its clients, the Investment Manager may purchase, invest in or otherwise deal with participations in Senior Loans on behalf of its other clients.

The AIFM has also delegated some powers to the Investment Manager relating to the subscription, redemption, conversion or transfer of Shares as further detailed in this Appendix.

**7. Base Currency of the Sub-Fund**

The base currency is U.S. Dollars.

**8. Classes of Shares**

The Sub-Fund currently offers one Class of Shares with the characteristics described in the schedule “Classes of Shares and characteristics” disclosed in this section.

Shares will be issued to three (3) decimal places.

Classes of Shares and characteristics

| Class of Shares | Availability | Currency | Distribution/ Accumulation | Initial subscription price | Minimum Initial Investment Amount | Minimum Holding Amount | Management Fee |
|---|---|---|---|---|---|---|---|
| I | Available, at the discretion of the AIFM, to Eligible Investors | USD | Quarterly Distribution | 10,000.- USD | 10 million USD (or equivalent) | 10 million USD (or equivalent) | Up to 1.2 % per annum of the Net Asset Value |

Class I Shares of this Sub-Fund are Founding Shares.

Marketing or distribution of the Shares is not intended.

For more details on distribution policy, minimum investment amount and minimum holding amount and management fees, please see sections 9, 10 and 15 respectively in this Appendix I. For further information on fees and charges applicable to the Fund, please refer to the section "Fees and Expenses" of the Placement Memorandum of the Fund.

**9. Distribution Policy**

It is intended that income distributions will be made. The Sub-Fund expects, based on its investment objective and strategies that its distributions, if any, will consist of ordinary income, capital gains, or some combination of both.

The Fund declares and pays dividends (for the avoidance of doubt including interim dividends) from gross investment income, to the extent feasible and at its sole discretion.

Payment of dividends out of gross income means that all part of the fees and expenses attributable to the Sub-Fund can be allocated to capital. As a consequence the distribution amount per Shares may be different between distribution periods.

All the distributions in cash will normally be paid out on the 8th Business Day of the month following the end of the period.

For distributing Classes of Shares held through Clearstream or Euroclear, reinvestment of distributions will not be possible and distributions (if any) will be paid in cash regardless of the amount.

For the avoidance of doubt, interim dividends may be distributed during the Fund's first financial year and also prior to the preparation of audited annual accounts.

Distribution will be processed only in the Sub-Fund currency.

Additional information on distributions can be obtained in section 24 headed "Distributions" of the Placement Memorandum.

**10. Minimum Investment Amount and Minimum Holding Amount**

The minimum initial investment amount and the minimum holding amount in each Class of Shares are disclosed in the schedule "Classes of Shares and characteristics" above in section 8.

Shareholders must comply with the minimum holding amount of the relevant Class of Shares at all times.

**11. Valuation Day**

"**Valuation Day**" means every last Business Day of the month, or such other dates as determined by the AIFM and notified to Shareholders in advance for which the NAV is calculated for the relevant Valuation Point.

**12. Issue of Shares**

General rules:

Issue of Shares in the Sub-Fund is subject to the restrictions on ownership described in this Placement Memorandum in the sections headed "Issue of Shares" and sub-section "Restrictions of the ownership".

Applications for subscriptions for Shares should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to application for subscriptions shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent which may be amended from time to time.

Subscriptions are subject to the prior approval of the AIFM and to the completion of the required Application Form

The AIFM may, at its sole discretion, accept contributions in kind in accordance with the sections in the main body of the Placement Memorandum headed, "Issue of Shares".

Statements can be provided if required on request. Subscribers should note that while receipt of the completed Application Form and Identification Documents are pending, all transactions may be rejected or delayed.

Only fully paid-up Shares will be issued in the Sub-Fund.

The sections in the main body of the Placement Memorandum headed, "Issue of Shares" and "Other Important Dealing Information" apply to the Sub-Fund.

12.1 Subscription for Class I Shares

Subscriptions in cash can only be made in the Sub-Fund's currency.

12.1.1 During the Initial Offering Period

The initial offering period for the Class I shall commence on the launch date of the Sub-Fund and end on the earlier of the 31 December 2017 or when the total subscription has reached USD 150,000,000.- (the "**Initial Offering Period**"). During this Initial Offering Period, the Shares of Class I can be issued and shall be issued at the initial subscription price described in the schedule "Classes of Shares and characteristics" disclosed in this section.

The payment for initial subscription is to be received for good value as indicated in the subscription documentation, such deadline occurring on the last day of the Initial Offer Period at the latest, unless the AIFM decides to postpone such date of payment and duly informs investors prior to that. The Shares shall be issued to the relevant subscribers on the eighth (8th) Business Day after the effective payment of the initial subscription price.

12.1.2 After the Initial Offering Period

Thereafter, the AIFM may further issue an unlimited number of fully paid-up Class I Shares with respect to each Valuation Day.

After the end of the initial subscription period, the Shares of Class I shall be issued at the applicable Net Asset Value.

Applications for subscriptions for Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least two (2) Business Days prior to the applicable Valuation Day (the "**Subscription Cut-Off Time**"). At the discretion of the Investment Manager, all or parts of the subscriptions received for a Valuation Day can be deferred to the next Valuation Day or such other Valuation Day as determined by the Investment Manager. It is noted that, in such case, the option is given to the applicant to withdraw its application. Any deferred request or portion will be carried forward and effected, on a pro rata basis where necessary, for the following Valuation Day, until the subscription requests are executed in full. Subscription requests carried forward will not be prioritized over other applications for subscription received for a given Valuation Day and shall be treated with respect to the unsatisfied balance thereof as if a further subscription request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days.

Payment must be made within eight (8) Business Days following the respective Valuation Day for which the application for purchase of Shares is received (or deemed to have been received). Payment should be made in the currency of the purchased Class of Shares.

The Shares shall be issued to the relevant subscribers on the eighth ($8^{th}$) Business Day after the effective payment of the subscription price.

## 13. Redemption of Shares

Redemptions are possible every Valuation Day, subject to the restriction below. Applications for redemptions of Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least five (5) Business Day prior to the applicable Valuation Day (the "**Redemption Cut-Off Time**").

Redemption requests received (or deemed to have been received) after the Redemption Cut-Off Time on a Valuation Day will be processed on the next Valuation Day.

Redemption requests should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to redemption requests shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent from time to time.

Shareholders should note that while receipt of Identification Documents is pending, redemption proceeds cannot be remitted to Shareholders.

Payment of redemption proceeds shall be made in the currency of the respective Class of Shares. Such payment shall normally be made, within fifteen (15) Business Days following the respective Dealing Day. However, where there are difficulties in liquidating relevant assets, including loans and similar types of investments, payment will be made as soon as reasonably practicable. No interest shall be paid on delayed redemption proceeds.

The AIFM will at all times aim to meet all redemption requests received (or deemed to have been received) for each Valuation Day. In certain circumstances however the AIFM may not be able to meet all redemption requests (in full or in part), for example as a consequence of the illiquidity of many Senior Loans (please see section 5 in this Appendix for further details), the events set out in the section, "Suspension of the Determination of the Net Asset Value of Shares" in this Placement Memorandum, or the need to protect the interests of the Fund, the Sub-Fund and/or Shareholders (as the AIFM may in its discretion determine). Accordingly the AIFM reserves the right in its discretion to defer or scale down pro rata each redemption request. In any of the above listed situations, redemptions may only be suspended under exceptional circumstances and for a period not exceeding thirty-six (36) months.

If for any reason redemption payments are delayed, payments will be made to Shareholders as soon as reasonably practicable and interest shall not be paid.

If the holding of any Shareholder in any Class falls at any time below the relevant minimum holding amount for that Class as a direct result of a redemption request, the AIFM may compulsorily redeem or convert (if applicable) into another Class with a lower minimum holding amount the remaining holding of such Shareholder in that Class, subject to sections "Redemption of Shares" and "Conversion of Shares".

For the avoidance of doubt this Sub-Fund is not designed for investors with short term investment horizons.

If an application for redemption or conversion is received from a Shareholder in respect of any Valuation Day (the "**First Valuation Day**"), which either alone or when aggregated with other redemption applications, represents four percent (4%) or more of the Net Asset Value of the Sub-Fund, the AIFM reserves the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to limit the value of redemptions of such First Valuation Day so that not more than four percent (4%) or more of the Net Asset Value of the Sub-Fund be redeemed or converted for such First Valuation Day.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

Where this restriction applies, redemptions in respect of the First Valuation Day will be on a *pro rata* basis and any redemptions which for this reason do not occur as of that Valuation Day will be carried forward for redemption respect of the next Valuation Day in priority to requests for redemptions in the Sub-Fund, received by the Administrative Agent in respect of Valuation Days subsequent to the imposition of any gate. The AIFM may in its discretion determine to impose a gate at any time, whether before, during or after the Valuation with respect to which the gate is to be imposed.

## 14. Determination of the Net Asset Value per Class of Shares

The Net Asset Value per Class of Shares will be calculated/finalised on each Dealing Day in accordance with section "Determination of the Net Asset Value of Shares".

The "Valuation Point" for the assets of the Sub-Fund shall be the last close of business of the relevant market for the relevant assets on the applicable Valuation Day or the day immediately preceding the applicable Valuation Day, as the case may be.

The Net Asset Value per Class of Shares of the Sub-Fund is determined by or at the direction of the AIFM in the base currency of the Sub-Fund. The Net Asset Value per Share will be expressed and provided in the relevant currency of the Class of Shares. The Net Asset Value per Class of Shares will be available at the offices of the Fund, the AIFM and the Depositary by close of business on 5th Business Day following the applicable Valuation Day.

**15. Fees of the AIFM and Investment Manager**

The AIFM is entitled to receive a management fee in respect of each Class of Shares as disclosed in the schedule "Classes of Shares and characteristics" in section 8 of this Appendix. This management fee is a percentage per annum of the Net Asset Value of the relevant Class of Shares, accrued daily and payable monthly in arrears, based on the last available Net Asset Value out of the assets of the relevant Sub-Fund.

The Investment Manager is paid out of the management fee received by the AIFM in accordance with the terms of the Investment Management Agreement relating to the portfolio management of the Sub-Fund.

**16. Duration of the Sub-Fund**

The Sub-Fund is established for an undetermined period.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

# APPENDIX II

Relating to the Sub-Fund

## Swiss Life Loan Fund (LUX) S.A., SICAV-SIF) - Senior Secured Loans II

**1. Name of the Sub-Fund**

Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans II (the "**Sub-Fund"** in this Appendix II).

**2. Investment Objective and Investment Guidelines**

2.1 Investment Objective

The Sub-Fund's investment objective is to provide a high level of current income, consistent with the preservation of capital, by investing mainly in adjustable rate senior loans ("**Senior Loans**") either directly or indirectly.

2.2 Investment strategy for the Sub-Fund

Senior Loans are business loans made to Borrowers (as defined below) that may be corporations, partnerships or other entities.

These Borrowers may operate in a variety of industries and geographic regions. Senior Loans generally are negotiated between a Borrower and several financial institution lenders represented by one or more lenders acting as agent for all the lenders. The agent is responsible for negotiating the loan agreement that establishes the terms and conditions of the Senior Loan and the rights of the Borrower and the lenders. Senior Loans may include loans such as syndicated loans, senior leveraged loans, mezzanine loans, revolver loans, delayed draw term loans, second-lien loans, floating-rate note (FRN) and senior debt that are in the form of notes.

Investments into any other loan investment funds are permitted.

The Sub-Fund may on an ancillary basis only, invest in exchange traded funds (so called ETFs).

The Sub-Fund will invest directly or indirectly at least 85% of its Net Asset Value in first lien senior secured loans (no participations, derivatives, or the like).

The Sub-Fund may also invest in US short term treasury bills.

The Sub-Fund may also invest up to 15% of its Net Asset Value in:

- second lien Senior Loans;
- collateral loan obligations;
- high yield bonds and investment grade bonds;
- equities (and other assets) received in connection with the investment in a Senior Loan or as the result of rights arising out of bankruptcy proceedings relating to Borrowers;
- government bonds (excluding those qualifying as liquid assets).

The investment of assets will be made in accordance with the principle of risk diversification, meaning that, in addition to any general investment restrictions included in section 9 of the Placement Memorandum, the Sub-Fund will at all time invest at a minimum, in more than three assets with different risk profiles, complying with the principle of risk diversification (Please refer to the General Investment Restrictions in section 9 of the Placement Memorandum).

Each Sub-Fund may, on an ancillary basis, hold Liquid Assets when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. In exceptional market circumstances and on a temporary basis only, 100% of the Sub-Fund's net assets may be invested in Liquid Assets, with due regard to the principle of risk spreading.

Investments of the Sub-Fund in currencies other than the Reference Currency may be hedged against the Reference Currency.

The Sub-Fund does not systematically integrate ESG criteria into its investment decision-making process since the application of ESG Criteria on the underlying assets are not possible or allowed. Sustainability risks are therefore not integrated into the investment decision-making process.

The underlying investments of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

On the level of the Sub-Fund the principal adverse impacts on sustainability factors, are not being considered since they are not in scope of the investment strategy.

"**Borrower(s)**" mean borrower(s) of the Senior Loans or any other loans to be invested in by the Sub-Fund, issuers of bonds or any other securities to be invested in by the Sub-Fund, or obligors of the collateral loan obligations or any other financial instruments to be invested in by the Sub-Fund.

**3. Specific Investment Restrictions for the Sub-Fund**

In addition to the General Investment Restrictions, the investment restrictions set out below (the "**Specific Investment Restrictions**") shall apply to the Sub-Fund:

a. The Sub-Fund may invest up to five percent (5.0%) of its Net Asset Value in loans made to and securities of any single Borrower. Investments in government bonds are not subject to this restriction.

b. The Sub-Fund currently does not intend to invest more than 30% of its Net Asset Value in obligations of Borrowers pertaining to any single industry (as defined by Bloomberg's industry group used for their indices). Investments in government bonds are not subject to this restriction.

c. The Sub-Fund may not invest in unfunded revolver loans. For the purposes of these Specific Investment Restrictions, "unfunded revolver loans" means revolver loans which are entirely unfunded at the time of purchase by the Sub-Fund.

d. The Sub-Fund can invest in Senior Loans with a public or private facility rating of "Baa1" through "B3" by Moody's or "BBB+" through "B-" by Standard & Poor's, it being understood that such ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction.

e. In case of a split rating between Standard & Poor's and Moody's that differs by two or more major rating steps for a specific facility, the worse of the two ratings must be considered in the investment decision. The Sub-Fund, however, may under no circumstances actively buy any securities rated below B- by Standard & Poor's or below B3 by Moody's. For the avoidance of doubt, ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction. However, the Sub-Fund may invest in non-rated assets in the sole discretion of the Investment Manager based on its internal investment procedures.

f. As a matter of clarification, the Sub-Fund may not issue or grant any loans or guarantees in favor of any third party.

g. The Sub-Fund will not invest in short sales or uncovered short sales.

h. The Sub-Fund will not invest or use securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

i. The Sub-Fund will not make use of derivative financial techniques and instruments for efficient portfolio management purposes.

j. The Sub-Fund will not perform any loan origination.

k. The Sub-Fund will not give any loans to the public, the AIFM, delegates or related parties.

l. The Sub-Fund may borrow up to 10% of its NAV on a temporary basis, not exceeding 12 months, for investment or liquidity management purposes.

For the avoidance of doubt, the Sub-Fund will invest in line with CSSF Circular 07/309.

If the Net Asset Value of the Sub-Fund is below U.S. dollar 200 million, the investment objectives and the Specific Investment Restrictions for the Sub-Fund may not be complied with. It being understood that the General Investment Restrictions always have be complied with prior to the entering into liquidation.

In accordance with section 9 of the Placement Memorandum, the *Investment Restrictions and investment guidelines in respect to diversification requirements* may be derogated from for a period of twelve (12) months after launch of a Sub-Fund.

## 4. Leverage

Within the meaning of the AIFM Law, leverage is any method by which the Investment Manager increases the exposure of the Fund whether through borrowing of cash or transferable securities, or leverage embedded in derivative positions or by any other means (the "**Leverage**").

Leverage is calculated in accordance with the AIFM Law and section 2 of the Commission Delegated Regulations (EU) N° 231/2013 supplementing the AIFMD, and thus in accordance with the gross method or the commitment method as set forth therein.

Leverage is controlled on a frequent basis and is expected not to exceed (as a ratio of the exposure of the Sub-Fund and its Net Asset Value) two hundred and fifty percent (250%) when using the gross method and one hundred and fifteen percent (115%) when using the commitment method.

The Sub-Fund is not reusing collateral or any guarantee under the Sub-Funds' leveraging arrangements.

## 5. Risk Factors

5.1 *Fluctuation of the Net Asset Value of the Shares*
The Net Asset Value of the Shares and income from them may fall as well as rise. On the redemption of Shares, the Shareholder may receive back an amount less than the original amount of his investment.

5.2 *Senior Loans*
There is less readily available, reliable information about most Senior Loans than is the case for many other types of securities or other assets including loans and similar types of investments. In addition the Investment Manager relies primarily on its own evaluation of Borrower credit quality rather than on any available independent sources. As a result, the Sub-Fund is particularly dependent on the analytical abilities of the Investment Manager.

Senior Loans generally are not listed on any national securities exchange or automated quotation system and no active trading market exists for many Senior Loans. As a result, many Senior Loans are illiquid, meaning that the Sub-Fund may not be able to sell them quickly at a fair price and/or that the redemptions may be delayed due to illiquidity of the Senior Loans. The market for illiquid securities is more volatile than the market for liquid securities.

The market could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates. Extraordinary and sudden changes in interest rates could disrupt the market for Senior Loans. Many Senior Loans, however, are of a large principal amount and are held by a large number of owners. This may enhance their liquidity. In addition, in recent years the number of institutional investors purchasing Senior Loans has increased. Illiquid securities are also difficult to value.

5.3 *Credit Risk of Borrower*
Senior Loans whether they are directly invested in by the Sub-Fund, like most other debt obligations, are subject to the risk of default. Default in the payment of interest or principal on a Senior Loan results in a reduction in income to the Sub-Fund, a reduction in the value of the Senior Loan and a potential decrease in the Net Asset Value of the Sub-Fund.

The Sub-Fund may acquire Senior Loans of Borrowers that are experiencing, or are more likely to experience, financial difficulty, including Senior Loans of Borrowers that have filed for bankruptcy protection. Borrowers may have outstanding debt obligations that are rated below investment grade. More recently, rating agencies have begun rating Senior Loans, and Senior Loans in the Sub-Fund's portfolio may themselves be rated below investment grade. The Sub-Fund may invest a substantial portion of its assets in Senior Loans of Borrowers that have outstanding debt obligations rated below investment grade or that are unrated but of comparable quality to such securities. Debt securities rated below investment grade are viewed by the rating agencies as speculative and are commonly known as "junk bonds". Senior Loans may not be rated at the time that the Sub-Fund purchases them. If a Senior Loan is rated at the time of purchase, the Investment Manager may consider the rating when evaluating the Senior Loan but, in any event, does not view ratings as a determinative factor in investment decisions. As a result, the Sub-Fund is more dependent on the Investment Manager's credit analysis abilities. Because of the protective terms of Senior Loans, the Investment Manager believes that the Sub-Fund is more likely to recover more of its investment in a defaulted

Senior Loan than would be the case for most other types of defaulted debt securities. The values of Senior Loans of Borrowers that have filed for bankruptcy protection or that are experiencing payment difficulty could be affected by, among other things, the assessment of the likelihood that the lenders ultimately will receive repayment of the principal amount of such Senior Loans, the likely duration, if any, of a lapse in the scheduled payment of interest and repayment of principal and prevailing interest rates. There is no assurance that the Sub-Fund will be able to recover any amount on Senior Loans of such Borrowers.

In the case of collateralized Senior Loans, there is no assurance that sale of the collateral would raise enough cash to satisfy the Borrower's payment obligation or that the collateral can or will be liquidated. In the event of bankruptcy, liquidation may not occur and the court may not give lenders the full benefit of their senior positions. If the terms of a Senior Loan do not require the Borrower to pledge additional collateral in the event of a decline in the value of the original collateral, the Sub-Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Senior Loans. To the extent that a Senior Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose all of its value in the event of bankruptcy of the Borrower. Uncollateralized Senior Loans involve a greater risk of loss.

In addition to the credit risk of Borrowers in connection with Senior Loans, there are special risk considerations associated with investing in loans, bonds, equities, warrants and any other securities. Even though the Sub-Fund may invest in government bonds, government guaranteed bonds, bonds issued by supranational authorities and other permitted securities, such securities are subject to credit risk and market risk. Credit risk means such securities are subject to the risk of a Borrower's inability to meet principal and interest payments. Market risk means such securities may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the Borrower and general market liquidity.

5.4 *Interest Rates and Maturity*

Interest rates on Senior Loans adjust periodically. The interest rates are adjusted based on a base rate plus a premium or spread over the base rate. The base rate for US Dollar denominated Senior Loans usually is the London Inter-Bank Offered Rate ("**LIBOR**"), the prime rate offered by one or more major United States banks (the "**Prime Rate**") or the certificate of deposit rate (the "**CD Rate**") or other base lending rates used by commercial lenders. The base rate for Euro denominated Senior Loans usually is the European Inter-Bank Offered Rate ("EURIBOR"). LIBOR, as provided for in loan agreements, usually is an average of the interest rates quoted by several designated banks as the rates at which they pay interest to major depositors in the London interbank market on U.S. Dollar denominated deposits. The Investment Manager believes that changes in short-term LIBOR rates are closely related to changes in the Federal Reserve federal funds rate, although the two are not technically linked. The Prime Rate quoted by a major U.S. bank is generally the interest rate at which that bank is willing to lend U.S. Dollars to the most creditworthy Borrowers, although it may not be the bank's lowest available rate. The CD Rate, as provided for in loan agreements, usually is the average rate paid on large certificates of deposit traded in the secondary market. Since 2021, the LIBOR is gradually being replaced by the secured overnight financing rate (SOFR). SOFR is a secured, overnight funding rate based on US Treasury repo transactions. The Alternative Reference Rates Committee (ARRC), appointed by the Federal Reserve Bank of New York, requires all LIBOR rate contracts to be replaced by SOFR by end of June of 2023.

When interest rates rise, the values of fixed income securities generally decline. When interest rates fall, the values of fixed income securities generally increase. The Investment Manager believes that investing in adjustable rate Senior Loans should limit fluctuations in the Net Asset Value of the Sub-Fund caused by changes in interest rates. The Investment Manager expects the values of its Senior Loan investments to fluctuate less than the values of fixed rate, longer-term income securities in response to the changes in interest rates. Changes in interest rates can, however, cause some fluctuation in the Net Asset Value of the Sub-Fund.

5.5 *Exchange Risk*

As the Sub-Fund will invest in securities and other assets including loans and similar types of investments that may be denominated in currencies other than a currency of a Class of Shares of the Sub-Fund, changes in the exchange rates of such currencies of the investments relative to the currencies of Shares will affect the value of Shares of the Sub-Fund.

*5.6 Sustainability (related) risks and its likely impact on the performance*

Sustainability Risks may have a significant impact on some of the other risk types described in this section and contribute as a factor to the materiality of these risk types. An issuer that engages in activities that seriously undermine one or more of the sustainability factors is exposed, among others, to reputational and market risk that could adversely affect the value of financial instruments issued by it and held by the fund. Exposure to this risk could therefore result in a decrease in the net asset value.

Such risk is also linked to climate-related events resulting from climate change (called physical risks) or to the society's response to climate change (called transition risks), which may result in unanticipated losses that could affect the Sub-Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, 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 impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. As all sub funds are in principal geographically, sectorial and asset class diversified, there is no particular concentration amplifying the risk.

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.

## 6. Investment Manager

The AIFM has delegated the portfolio management and has appointed Swiss Life Asset Management AG (the "**Investment Manager**" in this Appendix II) to act as investment manager and make, subject to the overall control and responsibility of the AIFM, discretionary investments with respect to the investment and reinvestment of the assets of the Sub-Fund. The Investment Management Agreement with the Investment Manager was entered into on 27 September 2017 with an effective date of 19 September 2017.

As part of the performance of the services delegated by the AIFM, the Investment Manager may use the support of resources of other entities of the Swiss Life Group, but shall remain in any case fully responsible for the performance of the discretionary investment decisions with respect to the investment and reinvestment of the assets of the Sub-Fund.

The Investment Manager may delegate, at its own expense and with prior written approval of the AIFM, any or all of its duties to other companies, provided that the Investment Manager shall remain responsible for the acts and omissions of any such delegate in relation to such duties delegated to it as if such acts or omissions were those of the Investment Manager.

The Investment Manager advises and represents clients worldwide in providing its investment management services. In providing services to its clients, the Investment Manager may purchase, invest in or otherwise deal with participations in Senior Loans on behalf of its other clients.

The AIFM has also delegated some powers to the Investment Manager relating to the subscription, redemption, conversion or transfer of Shares as further detailed in this Appendix.

**7. Base Currency of the Sub-Fund**

The base currency is Euro.

**8. Classes of Shares**

The Sub-Fund currently offers one Class of Shares with the characteristics described in the schedule “Classes of Shares and characteristics” disclosed in this section.

Shares will be issued to three (3) decimal places.

Classes of Shares and characteristics

| Class of Shares | Availability | Currency | Distribution/ Accumulation | Initial subscription price | Minimum Initial Investment Amount | Minimum Holding Amount | Management Fee |
|---|---|---|---|---|---|---|---|
| I | Available, at the discretion of the AIFM, to Eligible Investors | EUR | Quarterly Distribution | 10,000.- Euro | 10 million EUR (or equivalent) | 10 million EUR (or equivalent) | Up to 1.2 % per annum of the Net Asset Value |

Class I Shares of this Sub-Fund are Founding Shares.

Marketing or distribution of the Shares is not intended.

For more details on distribution policy, minimum investment amount and minimum holding amount and management fees, please see sections 9, 10 and 15 respectively in this Appendix II. For further information on fees and charges applicable to the Fund, please refer to the section "Fees and Expenses" of the Placement Memorandum of the Fund.

**9. Distribution Policy**

It is intended that income distributions will be made. The Sub-Fund expects, based on its investment objective and strategies that its distributions, if any, will consist of ordinary income, capital gains, or some combination of both.

The Fund declares and pays dividends (for the avoidance of doubt including interim dividends) from gross investment income, to the extent feasible and at its sole discretion.

Payment of dividends out of gross income means that all part of the fees and expenses attributable to the Sub-Fund can be allocated to capital. As a consequence the distribution amount per Shares may be different between distribution periods.

All the distributions in cash will normally be paid out on the $8^{th}$ Business Day of the month following the end of the period.

For the avoidance of doubt, interim dividends may be distributed during the Fund's first financial year and also prior to the preparation of audited annual accounts.

Distribution will be processed only in the Sub-Fund currency.

Additional information on distributions can be obtained in section 24 headed "Distributions" of the Placement Memorandum.

**10. Minimum Investment Amount and Minimum Holding Amount**

The minimum initial investment amount and the minimum holding amount in each Class of Shares are disclosed in the schedule "Classes of Shares and characteristics" above in section 8.

Shareholders must comply with the minimum holding amount of the relevant Class of Shares at all times.

**11. Valuation Day**

"**Valuation Day**" means every last Business Day of the month, or such other dates as determined by the AIFM and notified to Shareholders in advance for which the NAV is calculated for the relevant Valuation Point.

**12. Issue of Shares**

General rules:

Issue of Shares in the Sub-Fund is subject to the restrictions on ownership described in this Placement Memorandum in the sections headed "Issue of Shares" and sub-section "Restrictions of the ownership".

Applications for subscriptions for Shares should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to application for subscriptions shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent which may be amended from time to time.

Subscriptions are subject to the prior approval of the AIFM and to the completion of the required Application Form.

The AIFM may, at its sole discretion, accept contributions in kind in accordance with the sections in the main body of the Placement Memorandum headed, "Issue of Shares".

Statements can be provided if required on request. Subscribers should note that while receipt of the completed Application Form and Identification Documents are pending, all transactions may be rejected or delayed.

Only fully paid-up Shares will be issued in the Sub-Fund.

The sections in the main body of the Placement Memorandum headed, "Issue of Shares" and "Other Important Dealing Information" apply to the Sub-Fund.

12.1 Subscription for Class I Shares

Subscriptions in cash can only be made in the Sub-Fund's currency.

12.1.1 During the Initial Offering Period

The initial offering period for the Class I shall commence on the launch date of the Sub-Fund and end on the earlier of the 30 April 2018 or when the total subscription has reached EUR 350,000,000.- (the "**Initial Offering Period**"). During this Initial Offering Period, the Shares of Class I can be issued and shall be issued at the initial subscription price described in the schedule "Classes of Shares and characteristics" disclosed in this section.

The payment for initial subscription is to be received for good value as indicated in the subscription documentation, such deadline occurring on the last day of the Initial Offer Period at the latest, unless the AIFM decides to postpone such date of payment and duly informs investors prior to that. The Shares shall be issued to the relevant subscribers within on the eighth ($8^{th}$) Business Days after the effective payment of the initial subscription price.

12.1.2 After the Initial Offering Period

Thereafter, the AIFM may further issue an unlimited number of fully paid-up Class I Shares with respect to each Valuation Day.

After the end of the initial subscription period, the Shares of Class I shall be issued at the applicable Net Asset Value.
Applications for subscriptions for Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least two (2) Business Days prior to the applicable Valuation Day (the "**Subscription Cut-Off Time**"). At the discretion of the Investment Manager, all or parts of the subscriptions received for a Valuation Day can be deferred to the next Valuation Day or such other Valuation Day as determined by the Investment Manager. It is noted that, in such case, the option is given to the applicant to withdraw its application. Any deferred request or portion will be carried forward and effected, on a pro rata basis where necessary, for the following Valuation Day, until the subscription requests are executed in full. Subscription requests carried forward will not be prioritized over other applications for subscription received for a given Valuation Day and shall be treated with respect to the unsatisfied balance thereof as if a further subscription request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days.

Payment must be made within eight (8) Business Days following the respective Valuation Day for which the application for purchase of Shares is received (or deemed to have been received). Payment should be made in the currency of the purchased Class of Shares.

The Shares shall be issued to the relevant subscribers on the eighth ($8^{th}$) Business Day after the effective payment of the subscription price.

**13. Redemption of Shares**

Redemptions are possible every Valuation Day, subject to the restriction below. Applications for redemptions of Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least five (5) Business Day prior to the applicable Valuation Day (the "**Redemption Cut-Off Time**").

Redemption requests received (or deemed to have been received) after the Redemption Cut-Off Time on a Valuation Day will be processed on the next Valuation Day.

Redemption requests should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to redemption requests shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent from time to time.

Shareholders should note that while receipt of Identification Documents is pending, redemption proceeds cannot be remitted to Shareholders.

Payment of redemption proceeds shall be made in the currency of the respective Class of Shares. Such payment shall normally be made, within fifteen (15) Business Days following the respective Dealing Day. However, where there are difficulties in liquidating relevant assets, including loans and similar types of investments, payment will be made as soon as reasonably practicable. No interest shall be paid on delayed redemption proceeds.

The AIFM will at all times aim to meet all redemption requests received (or deemed to have been received) for each Valuation Day. In certain circumstances however the AIFM may not be able to meet all redemption requests (in full or in part), for example as a consequence of the illiquidity of many Senior Loans (please see section 5 in this Appendix for further details), the events set out in the section, "Suspension of the Determination of the Net Asset Value of Shares" in this Placement Memorandum, or the need to protect the interests of the Fund, the Sub-Fund and/or Shareholders (as the AIFM may in its discretion determine). Accordingly the AIFM reserves the right in its discretion to defer or scale down pro rata each redemption request. In any of the above listed situations, redemptions may only be suspended under exceptional circumstances and for a period not exceeding thirty-six (36) months.

If for any reason redemption payments are delayed, payments will be made to Shareholders as soon as reasonably practicable and interest shall not be paid.

If the holding of any Shareholder in any Class falls at any time below the relevant minimum holding amount for that Class as a direct result of a redemption request, the AIFM may compulsorily redeem or convert (if applicable) into another Class with a lower minimum holding amount the remaining holding of such Shareholder in that Class, subject to sections "Redemption of Shares" and "Conversion of Shares".

For the avoidance of doubt this Sub-Fund is not designed for investors with short term investment horizons.

If an application for redemption or conversion is received from a Shareholder in respect of any Valuation Day (the "**First Valuation Day**"), which either alone or when aggregated with other redemption applications, represents four percent (4%) or more of the Net Asset Value of the Sub-Fund, the AIFM reserves the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to limit the value of redemptions of such First Valuation Day so that not more than four percent (4%) or more of the Net Asset Value of the Sub-Fund be redeemed or converted for such First Valuation Day.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

Where this restriction applies, redemptions in respect of the First Valuation Day will be on a *pro rata* basis and any redemptions which for this reason do not occur as of that Valuation Day will be carried forward for redemption respect of the next Valuation Day in priority to requests for redemptions in the Sub-Fund, received by the Administrative Agent in respect of Valuation Days subsequent to the imposition of any gate. The AIFM may in its discretion determine to impose a gate at any time, whether before, during or after the Valuation with respect to which the gate is to be imposed.

**14. Determination of the Net Asset Value per Class of Shares**

The Net Asset Value per Class of Shares will be calculated/finalised on each Dealing Day in accordance with section "Determination of the Net Asset Value of Shares".

The "**Valuation Point**" for the assets of the Sub-Fund shall be the last close of business of the relevant market for the relevant assets on the applicable Valuation Day or the day immediately preceding the applicable Valuation Day, as the case may be.

The Net Asset Value per Class of Shares of the Sub-Fund is determined by or at the direction of the AIFM in the base currency of the Sub-Fund. The Net Asset Value per Share will be expressed and provided in the relevant currency of the Class of Shares. The Net Asset Value per Class of Shares will be available at the offices of the Fund, the AIFM and the Depositary by close of business on 5th Business Day following the applicable Valuation Day.

**15. Fees of the AIFM and Investment Manager**

The AIFM is entitled to receive a management fee in respect of each Class of Shares as disclosed in the schedule "Classes of Shares and characteristics" in section 8 of this Appendix. This management fee is a percentage per annum of the Net Asset Value of the relevant Class of Shares, accrued daily and payable monthly in arrears, based on the last available Net Asset Value out of the assets of the relevant Sub-Fund.

The Investment Manager is paid out of the management fee received by the AIFM in accordance with the terms of the Investment Management Agreement relating to the portfolio management of the Sub-Fund.

**16. Duration of the Sub-Fund**

The Sub-Fund is established for an undetermined period.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

# APPENDIX III

Relating to the Sub-Fund

## Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans III

### 1. Name of the Sub-Fund

Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans III (the "**Sub-Fund"** in this Appendix III).

### 2. Investment Objective and Investment Guidelines

2.1 Investment Objective

The Sub-Fund's investment objective is to provide a high level of current income, consistent with the preservation of capital, by investing mainly in adjustable rate senior loans ("**Senior Loans**") either directly or indirectly.

2.2 Investment strategy for the Sub-Fund

Senior Loans are business loans made to Borrowers (as defined below) that may be corporations, partnerships or other entities.

These Borrowers may operate in a variety of industries and geographic regions. Senior Loans generally are negotiated between a Borrower and several financial institution lenders represented by one or more lenders acting as agent for all the lenders. The agent is responsible for negotiating the loan agreement that establishes the terms and conditions of the Senior Loan and the rights of the Borrower and the lenders. Senior Loans may include loans such as syndicated loans, senior leveraged loans, mezzanine loans, revolver loans, delayed draw term loans, second-lien loans, floating-rate note (FRN) and senior debt that are in the form of notes.

Investments into any other loan investment funds are permitted.

The Sub-Fund may on an ancillary basis only, invest in exchange traded funds (so called ETFs).

The Sub-Fund will invest directly or indirectly at least 85% of its Net Asset Value in first lien senior secured loans (no participations, derivatives, or the like).

The Sub-Fund may also invest US short term treasury bills.

The Sub-Fund may also invest up to 15% of its Net Asset Value in:

- second lien Senior Loans;
- collateral loan obligations;
- high yield bonds and investment grade bonds;
- equities (and other assets) received in connection with the investment in a Senior Loan or as the result of rights arising out of bankruptcy proceedings relating to Borrowers;
- government bonds (excluding those qualifying as liquid assets).

The investment of assets will be made in accordance with the principle of risk diversification, meaning that, in addition to any general investment restrictions included in section 9 of the Placement Memorandum, the Sub-Fund will at all time invest at a minimum, in more than three assets with different risk profiles, complying with the principle of risk diversification (Please refer to the General Investment Restrictions in section 9 of the Placement Memorandum).

Each Sub-Fund may, on an ancillary basis, hold Liquid Assets when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. In exceptional market circumstances and on a temporary basis only, 100% of the Sub-Fund's net assets may be invested in Liquid Assets, with due regard to the principle of risk spreading.

Investments of the Sub-Fund in currencies other than the Reference Currency may be hedged against the Reference Currency.

The Sub-Fund does not systematically integrate ESG criteria into its investment decision-making process since the application of ESG Criteria on the underlying assets are not possible or allowed. Sustainability risks are therefore not integrated into the investment decision-making process.

The underlying investments of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

On the level of the Sub-Fund the principal adverse impacts on sustainability factors, are not being considered since they are not in scope of the investment strategy.

"**Borrower(s)**" mean borrower(s) of the Senior Loans or any other loans to be invested in by the Sub-Fund, issuers of bonds or any other securities to be invested in by the Sub-Fund, or obligors of the collateral loan obligations or any other financial instruments to be invested in by the Sub-Fund.

### 3. Specific Investment Restrictions for the Sub-Fund

In addition to the General Investment Restrictions, the investment restrictions set out below (the "**Specific Investment Restrictions**") shall apply to the Sub-Fund:

a. The Sub-Fund may invest up to five percent (5.0%) of its Net Asset Value in loans made to and securities of any single Borrower. Investments in government bonds are not subject to this restriction.

b. The Sub-Fund currently does not intend to invest more than 30% of its Net Asset Value in obligations of Borrowers pertaining to any single industry (as defined by Bloomberg's industry group used for their indices). Investments in government bonds are not subject to this restriction.

c. The Sub-Fund may not invest in unfunded revolver loans. For the purposes of these Specific Investment Restrictions, "unfunded revolver loans" means revolver loans which are entirely unfunded at the time of purchase by the Sub-Fund.

d. The Sub-Fund can invest in Senior Loans with a public or private facility rating of "Baa1" through "B3" by Moody's or "BBB+" through "B-" by Standard & Poor's, it being understood that such ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction..

e. In case of a split rating between Standard & Poor's and Moody's that differs by two or more major rating steps for a specific facility, the worse of the two ratings must be considered in the investment decision. The Sub-Fund, however, may under no circumstances actively buy any securities rated below B- by Standard & Poor's or below B3 by Moody's. For the avoidance of doubt, ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction. However, the Sub-Fund may invest in non-rated assets in the sole discretion of the Investment Manager based on its internal investment procedures.

f. As a matter of clarification, the Sub-Fund may not issue or grant any loans or guarantees in favor of any third party.

g. The Sub-Fund will not invest in short sales or uncovered short sales.

h. The Sub-Fund will not invest or use securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

i. The Sub-Fund will not make use of derivative financial techniques and instruments for efficient portfolio management purposes.

j. The Sub-Fund will not perform any loan origination.

k. The Sub-Fund will not give any loans to the public, the AIFM, delegates or related parties.

l. The Sub-Fund may borrow up to 10% of its NAV on a temporary basis, not exceeding 12 months, for investment or liquidity management purposes.

For the avoidance of doubt, the Sub-Fund will invest in line with CSSF Circular 07/309.

If the Net Asset Value of the Sub-Fund is below U.S. dollar 200 million, the investment objectives and the Specific Investment Restrictions for the Sub-Fund may not be complied with. It being understood that the General Investment Restrictions always have be complied with prior to the entering into liquidation.

In accordance with section 9 of the Placement Memorandum, the *Investment Restrictions and investment guidelines in respect to diversification requirements* may be derogated from for a period of twelve (12) months after launch of a Sub-Fund.

## 4. Leverage

Within the meaning of the AIFM Law, leverage is any method by which the Investment Manager increases the exposure of the Fund whether through borrowing of cash or transferable securities, or leverage embedded in derivative positions or by any other means (the "**Leverage**").

Leverage is calculated in accordance with the AIFM Law and section 2 of the Commission Delegated Regulations (EU) N° 231/2013 supplementing the AIFMD, and thus in accordance with the gross method or the commitment method as set forth therein.

Leverage is controlled on a frequent basis and is expected not to exceed (as a ratio of the exposure of the Sub-Fund and its Net Asset Value) two hundred and fifty percent (250%) when using the gross method and one hundred and fifteen percent (115%) when using the commitment method.

The Sub-Fund is not reusing collateral or any guarantee under the Sub-Funds' leveraging arrangements.

## 5. Risk Factors

5.1 *Fluctuation of the Net Asset Value of the Shares*
The Net Asset Value of the Shares and income from them may fall as well as rise. On the redemption of Shares, the Shareholder may receive back an amount less than the original amount of his investment.

5.2 *Senior Loans*
There is less readily available, reliable information about most Senior Loans than is the case for many other types of securities or other assets including loans and similar types of investments. In addition the Investment Manager relies primarily on its own evaluation of Borrower credit quality rather than on any available independent sources. As a result, the Sub-Fund is particularly dependent on the analytical abilities of the Investment Manager.

Senior Loans generally are not listed on any national securities exchange or automated quotation system and no active trading market exists for many Senior Loans. As a result, many Senior Loans are illiquid, meaning that the Sub-Fund may not be able to sell them quickly at a fair price and/or that the redemptions may be delayed due to illiquidity of the Senior Loans. The market for illiquid securities is more volatile than the market for liquid securities.

The market could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates. Extraordinary and sudden changes in interest rates could disrupt the market for Senior Loans. Many Senior Loans, however, are of a large principal amount and are held by a large number of owners. This may enhance their liquidity. In addition, in recent years the number of institutional investors purchasing Senior Loans has increased. Illiquid securities are also difficult to value.

5.3 *Credit Risk of Borrower*
Senior Loans whether they are directly invested in by the Sub-Fund, like most other debt obligations, are subject to the risk of default. Default in the payment of interest or principal on a Senior Loan results in a reduction in income to the Sub-Fund, a reduction in the value of the Senior Loan and a potential decrease in the Net Asset Value of the Sub-Fund.

The Sub-Fund may acquire Senior Loans of Borrowers that are experiencing, or are more likely to experience, financial difficulty, including Senior Loans of Borrowers that have filed for bankruptcy protection. Borrowers may have outstanding debt obligations that are rated below investment grade. More recently, rating agencies have begun rating Senior Loans, and Senior Loans in the Sub-Fund's portfolio may themselves be rated below investment grade. The Sub-Fund may invest a substantial portion of its assets in Senior Loans of Borrowers that have outstanding debt obligations rated below investment grade or that are unrated but of comparable quality to such securities. Debt securities rated below investment grade are viewed by the rating agencies as speculative and are commonly known as "junk bonds". Senior Loans may not be rated at the time that the Sub-Fund purchases them. If a Senior Loan is rated at the time of purchase, the Investment Manager may consider the rating when evaluating the Senior Loan but, in any event, does not view ratings as a determinative factor in investment decisions. As a result, the Sub-Fund is more dependent on the Investment Manager's credit analysis abilities. Because of the protective terms of Senior Loans, the Investment Manager believes that the Sub-Fund is more likely to recover more of its investment in a defaulted Senior Loan than would be the case for most other types of defaulted debt securities. The values of Senior Loans of

Borrowers that have filed for bankruptcy protection or that are experiencing payment difficulty could be affected by, among other things, the assessment of the likelihood that the lenders ultimately will receive repayment of the principal amount of such Senior Loans, the likely duration, if any, of a lapse in the scheduled payment of interest and repayment of principal and prevailing interest rates. There is no assurance that the Sub-Fund will be able to recover any amount on Senior Loans of such Borrowers.

In the case of collateralized Senior Loans, there is no assurance that sale of the collateral would raise enough cash to satisfy the Borrower's payment obligation or that the collateral can or will be liquidated. In the event of bankruptcy, liquidation may not occur and the court may not give lenders the full benefit of their senior positions. If the terms of a Senior Loan do not require the Borrower to pledge additional collateral in the event of a decline in the value of the original collateral, the Sub-Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Senior Loans. To the extent that a Senior Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose all of its value in the event of bankruptcy of the Borrower. Uncollateralized Senior Loans involve a greater risk of loss.

In addition to the credit risk of Borrowers in connection with Senior Loans, there are special risk considerations associated with investing in loans, bonds, equities, warrants and any other securities. Even though the Sub-Fund may invest in government bonds, government guaranteed bonds, bonds issued by supranational authorities and other permitted securities, such securities are subject to credit risk and market risk. Credit risk means such securities are subject to the risk of a Borrower's inability to meet principal and interest payments. Market risk means such securities may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the Borrower and general market liquidity.

5.4 *Interest Rates and Maturity*
Interest rates on Senior Loans adjust periodically. The interest rates are adjusted based on a base rate plus a premium or spread over the base rate. The base rate for US Dollar denominated Senior Loans usually is the London Inter-Bank Offered Rate ("**LIBOR**"), the prime rate offered by one or more major United States banks (the "**Prime Rate**") or the certificate of deposit rate (the "**CD Rate**") or other base lending rates used by commercial lenders. The base rate for Euro denominated Senior Loans usually is the European Inter-Bank Offered Rate ("EURIBOR"). LIBOR, as provided for in loan agreements, usually is an average of the interest rates quoted by several designated banks as the rates at which they pay interest to major depositors in the London interbank market on U.S. Dollar denominated deposits. The Investment Manager believes that changes in short-term LIBOR rates are closely related to changes in the Federal Reserve federal funds rate, although the two are not technically linked. The Prime Rate quoted by a major U.S. bank is generally the interest rate at which that bank is willing to lend U.S. Dollars to the most creditworthy Borrowers, although it may not be the bank's lowest available rate. The CD Rate, as provided for in loan agreements, usually is the average rate paid on large certificates of deposit traded in the secondary market. Since 2021, the LIBOR is gradually being replaced by the secured overnight financing rate (SOFR). SOFR is a secured, overnight funding rate based on US Treasury repo transactions. The Alternative Reference Rates Committee (ARRC), appointed by the Federal Reserve Bank of New York, requires all LIBOR rate contracts to be replaced by SOFR by end of June of 2023.

When interest rates rise, the values of fixed income securities generally decline. When interest rates fall, the values of fixed income securities generally increase. The Investment Manager believes that investing in adjustable rate Senior Loans should limit fluctuations in the Net Asset Value of the Sub-Fund caused by changes in interest rates. The Investment Manager expects the values of its Senior Loan investments to fluctuate less than the values of fixed rate, longer-term income securities in response to the changes in interest rates. Changes in interest rates can, however, cause some fluctuation in the Net Asset Value of the Sub-Fund.

5.5 *Exchange Risk*
As the Sub-Fund will invest in securities and other assets including loans and similar types of investments that may be denominated in currencies other than a currency of a Class of Shares of the Sub-Fund, changes in the exchange rates of such currencies of the investments relative to the currencies of Shares will affect the value of Shares of the Sub-Fund.

*5.6 Sustainability (related) risks and its likely impact on the performance*
Sustainability Risks may have a significant impact on some of the other risk types described in this section and contribute as a factor to the materiality of these risk types.
An issuer that engages in activities that seriously undermine one or more of the sustainability factors is exposed, among others, to reputational and market risk that could adversely affect the value of financial instruments issued by it and held by the fund. Exposure to this risk could therefore result in a decrease in the net asset value.

Such risk is also linked to climate-related events resulting from climate change (called physical risks) or to the society's response to climate change (called transition risks), which may result in unanticipated losses that could affect the Sub-Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, 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 impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. As all sub funds are in principal geographically, sectorial and asset class diversified, there is no particular concentration amplifying the risk.
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.

## 6. Investment Manager

The AIFM has delegated the portfolio management and has appointed Swiss Life Asset Management AG (the "**Investment Manager**" in this Appendix III) to act as investment manager and make, subject to the overall control and responsibility of the AIFM, discretionary investments with respect to the investment and reinvestment of the assets of the Sub-Fund. The Investment Management Agreement with the Investment Manager was entered into on 27 September 2017 with an effective date of 19 September 2017 and was subsequently updated to include the Sub-Fund.

As part of the performance of the services delegated by the AIFM, the Investment Manager may use the support of resources of other entities of the Swiss Life Group, but shall remain in any case fully responsible for the performance of the discretionary investment decisions with respect to the investment and reinvestment of the assets of the Sub-Fund.

The Investment Manager may delegate, at its own expense and with prior written approval of the AIFM, any or all of its duties to other companies, provided that the

Investment Manager shall remain responsible for the acts and omissions of any such delegate in relation to such duties delegated to it as if such acts or omissions were those of the Investment Manager.

The Investment Manager advises and represents clients worldwide in providing its investment management services. In providing services to its clients, the Investment Manager may purchase, invest in or otherwise deal with participations in Senior Loans on behalf of its other clients.

The AIFM has also delegated some powers to the Investment Manager relating to the subscription, redemption, conversion or transfer of Shares as further detailed in this Appendix.

## 7. Base Currency of the Sub-Fund

The base currency is Euro.

## 8. Classes of Shares

The Sub-Fund currently offers one Class of Shares with the characteristics described in the schedule "Classes of Shares and characteristics" disclosed in this section.

Shares will be issued to three (3) decimal places.

Classes of Shares and characteristics

| Class of Shares | Availability | Currency | Distribution/ Accumulation | Initial subscription price | Minimum Initial Investment Amount | Minimum Holding Amount | Management Fee |
|---|---|---|---|---|---|---|---|
| I | Available, at the discretion of the AIFM, to Eligible Investors | EUR | Quarterly Distribution | 10,000.- Euro | 10 million EUR (or equivalent) | 10 million EUR (or equivalent) | Up to 1.2 % per annum of the Net Asset Value |

Class I Shares of this Sub-Fund are Founding Shares.

Marketing or distribution of the Shares is not intended.

For more details on distribution policy, minimum investment amount and minimum holding amount and management fees, please see sections 9, 10 and 15 respectively in this Appendix III. For further information on fees and charges applicable to the Fund, please refer to the section "Fees and Expenses" of the Placement Memorandum of the Fund.

**9. Distribution Policy**

It is intended that income distributions will be made. The Sub-Fund expects, based on its investment objective and strategies that its distributions, if any, will consist of ordinary income, capital gains, or some combination of both.

The Fund declares and pays dividends (for the avoidance of doubt including interim dividends) from gross investment income, to the extent feasible and at its sole discretion.

Payment of dividends out of gross income means that all part of the fees and expenses attributable to the Sub-Fund can be allocated to capital. As a consequence the distribution amount per Shares may be different between distribution periods.

All the distributions in cash will normally be paid out on the $8^{th}$ Business Day of the month following the end of the period.

For the avoidance of doubt, interim dividends may be distributed during the Fund's first financial year and also prior to the preparation of audited annual accounts.

Distribution will be processed only in the Sub-Fund currency.

Additional information on distributions can be obtained in section 24 headed "Distributions" of the Placement Memorandum.

**10. Minimum Investment Amount and Minimum Holding Amount**

The minimum initial investment amount and the minimum holding amount in each Class of Shares are disclosed in the schedule "Classes of Shares and characteristics" above in section 8.

Shareholders must comply with the minimum holding amount of the relevant Class of Shares at all times.

**11. Valuation Day**

"**Valuation Day**" means every last Business Day of the month, or such other dates as determined by the AIFM and notified to Shareholders in advance for which the NAV is calculated for the relevant Valuation Point.

**12. Issue of Shares**

General rules:

Issue of Shares in the Sub-Fund is subject to the restrictions on ownership described in this Placement Memorandum in the sections headed "Issue of Shares" and sub-section "Restrictions of the ownership".

Applications for subscriptions for Shares should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to application for subscriptions shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent which may be amended from time to time.

Subscriptions are subject to the prior approval of the AIFM and to the completion of the required Application Form.

The AIFM may, at its sole discretion, accept contributions in kind in accordance with the sections in the main body of the Placement Memorandum headed, "Issue of Shares".

Statements can be provided if required on request. Subscribers should note that while receipt of the completed Application Form and Identification Documents are pending, all transactions may be rejected or delayed.

Only fully paid-up Shares will be issued in the Sub-Fund.

The sections in the main body of the Placement Memorandum headed, "Issue of Shares" and "Other Important Dealing Information" apply to the Sub-Fund.

12.1 Subscription for Class I Shares

Subscriptions in cash can only be made in the Sub-Fund's currency.

12.1.1 During the Initial Offering Period

The initial offering period for the Class I shall commence on the launch date of the Sub-Fund and end on the earlier of the 31.07.2018 or when the total subscription has reached EUR 200,000,000.- (the "**Initial Offering Period**"). During this Initial Offering Period, the Shares of Class I can be issued and shall be issued at the initial subscription price described in the schedule "Classes of Shares and characteristics" disclosed in this section.

The payment for initial subscription is to be received for good value as indicated in the subscription documentation, such deadline occurring on the last day of the Initial Offer Period at the latest, unless the AIFM decides to postpone such date of payment and duly informs investors prior to that. The Shares shall be issued to the relevant subscribers on the eighth ($8^{th}$) Business Day after the effective payment of the initial subscription price.

12.1.2 After the Initial Offering Period

Thereafter, the AIFM may further issue an unlimited number of fully paid-up Class I Shares with respect to each Valuation Day.

After the end of the initial subscription period, the Shares of Class I shall be issued at the applicable Net Asset Value.
Applications for subscriptions for Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least two (2) Business Days prior to the applicable Valuation Day (the "**Subscription Cut-Off Time**"). At the discretion of the Investment Manager, all or parts of the subscriptions received for a Valuation Day can be deferred to the next Valuation Day or such other Valuation Day as determined by the Investment Manager. It is noted that, in such case, the option is given to the applicant to withdraw its application. Any deferred request or portion will be carried forward and effected, on a pro rata basis where necessary, for the following Valuation Day, until the subscription requests are executed in full. Subscription requests carried forward will not be prioritized over other applications for subscription received for a given Valuation Day and shall be treated with respect to the unsatisfied balance thereof as if a further subscription request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days.

Payment must be made within eight (8) Business Days following the respective Valuation Day for which the application for purchase of Shares is received (or deemed to have been received). Payment should be made in the currency of the purchased Class of Shares.

The Shares shall be issued to the relevant subscribers on the eighth ($8^{th}$) Business Day after the effective payment of the subscription price.

## 13. Redemption of Shares

Redemptions are possible every Valuation Day, subject to the restriction below. Applications for redemptions of Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least five (5) Business Day prior to the applicable Valuation Day (the "**Redemption Cut-Off Time**").

Redemption requests received (or deemed to have been received) after the Redemption Cut-Off Time on a Valuation Day will be processed on the next Valuation Day.

Redemption requests should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to redemption requests shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent from time to time.

Shareholders should note that while receipt of Identification Documents is pending, redemption proceeds cannot be remitted to Shareholders.

Payment of redemption proceeds shall be made in the currency of the respective Class of Shares. Such payment shall normally be made, within fifteen (15) Business Days following the respective Dealing Day. However, where there are difficulties in liquidating relevant assets, including loans and similar types of investments, payment will be made as soon as reasonably practicable. No interest shall be paid on delayed redemption proceeds.

The AIFM will at all times aim to meet all redemption requests received (or deemed to have been received) for each Valuation Day. In certain circumstances however the AIFM may not be able to meet all redemption requests (in full or in part), for example as a consequence of the illiquidity of many Senior Loans (please see section 5 in this Appendix for further details), the events set out in the section, "Suspension of the Determination of the Net Asset Value of Shares" in this Placement Memorandum, or the need to protect the interests of the Fund, the Sub-Fund and/or Shareholders (as the AIFM may in its discretion determine). Accordingly the AIFM reserves the right in its discretion to defer or scale down pro rata each redemption request. In any of the above listed situations, redemptions may only be suspended under exceptional circumstances and for a period not exceeding thirty-six (36) months.

If for any reason redemption payments are delayed, payments will be made to Shareholders as soon as reasonably practicable and interest shall not be paid.

If the holding of any Shareholder in any Class falls at any time below the relevant minimum holding amount for that Class as a direct result of a redemption request, the AIFM may compulsorily redeem or convert (if applicable) into another Class with a lower minimum holding amount the remaining holding of such Shareholder in that Class, subject to sections "Redemption of Shares" and "Conversion of Shares".

For the avoidance of doubt this Sub-Fund is not designed for investors with short term investment horizons.

If an application for redemption or conversion is received from a Shareholder in respect of any Valuation Day (the "**First Valuation Day**"), which either alone or when aggregated with other redemption applications, represents four percent (4%) or more of the Net Asset Value of the Sub-Fund, the AIFM reserves the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to limit the value of redemptions of such First Valuation Day so that not more than four percent (4%) or more of the Net Asset Value of the Sub-Fund be redeemed or converted for such First Valuation Day.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

Where this restriction applies, redemptions in respect of the First Valuation Day will be on a *pro rata* basis and any redemptions which for this reason do not occur as of that Valuation Day will be carried forward for redemption respect of the next Valuation Day in priority to requests for redemptions in the Sub-Fund, received by the Administrative Agent in respect of Valuation Days subsequent to the imposition of any gate. The AIFM may in its discretion determine to impose a gate at any time, whether before, during or after the Valuation with respect to which the gate is to be imposed.

## 14. Determination of the Net Asset Value per Class of Shares

The Net Asset Value per Class of Shares will be calculated/finalised on each Dealing Day in accordance with section "Determination of the Net Asset Value of Shares".

The "Valuation Point" for the assets of the Sub-Fund shall be the last close of business of the relevant market for the relevant assets on the applicable Valuation Day or the day immediately preceding the applicable Valuation Day, as the case may be.

The Net Asset Value per Class of Shares of the Sub-Fund is determined by or at the direction of the AIFM in the base currency of the Sub-Fund. The Net Asset Value per Share will be expressed and provided in the relevant currency of the Class of Shares. The Net Asset Value per Class of Shares will be available at the offices of the Fund, the AIFM and the Depositary by close of business on 5th Business Day following the applicable Valuation Day.

**15. Fees of the AIFM and Investment Manager**

The AIFM is entitled to receive a management fee in respect of each Class of Shares as disclosed in the schedule "Classes of Shares and characteristics" in section 8 of this Appendix. This management fee is a percentage per annum of the Net Asset Value of the relevant Class of Shares, accrued daily and payable monthly in arrears, based on the last available Net Asset Value out of the assets of the relevant Sub-Fund.

The Investment Manager is paid out of the management fee received by the AIFM in accordance with the terms of the Investment Management Agreement relating to the portfolio management of the Sub-Fund.

**16. Duration of the Sub-Fund**

The Sub-Fund is established for an undetermined period.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

# APPENDIX IV

Relating to the Sub-Fund

## Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans IV

### 1. Name of the Sub-Fund

Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans IV(the "**Sub-Fund"** in this Appendix IV).

### 2. Investment Objective and Investment Guidelines

2.1 Investment Objective

The Sub-Fund's investment objective is to provide a high level of current income, consistent with the preservation of capital, by investing mainly in adjustable rate senior loans ("**Senior Loans**") either directly or indirectly.

2.2 Investment strategy for the Sub-Fund

Senior Loans are business loans made to Borrowers (as defined below) that may be corporations, partnerships or other entities.

These Borrowers may operate in a variety of industries and geographic regions. Senior Loans generally are negotiated between a Borrower and several financial institution lenders represented by one or more lenders acting as agent for all the lenders. The agent is responsible for negotiating the loan agreement that establishes the terms and conditions of the Senior Loan and the rights of the Borrower and the lenders. Senior Loans may include loans such as syndicated loans, senior leveraged loans, mezzanine loans, revolver loans, delayed draw term loans, second-lien loans, floating-rate note (FRN) and senior debt that are in the form of notes.

Investments into any other loan investment funds are permitted.

The Sub-Fund may on an ancillary basis only, invest in exchange traded funds (so called ETFs).

The Sub-Fund will invest directly or indirectly at least 85% of its Net Asset Value in first lien senior secured loans (no participations, derivatives, or the like).

The Sub-Fund may also invest in US short term treasury bills.

The Sub-Fund may also invest up to 15% of its Net Asset Value in:

- second lien Senior Loans;
- collateral loan obligations;
- high yield bonds and investment grade bonds;
- equities (and other assets) received in connection with the investment in a Senior Loan or as the result of rights arising out of bankruptcy proceedings relating to Borrowers;
- government bonds (excluding those qualifying as liquid assets).

The investment of assets will be made in accordance with the principle of risk diversification, meaning that, in addition to any general investment restrictions included in section 9 of the Placement Memorandum, the Sub-Fund will at all time invest at a minimum, in more than three assets with different risk profiles, complying with the principle of risk diversification (Please refer to the General Investment Restrictions in section 9 of the Placement Memorandum).

Each Sub-Fund may, on an ancillary basis, hold Liquid Assets when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. In exceptional market circumstances and on a temporary basis only, 100% of the Sub-Fund's net assets may be invested in Liquid Assets, with due regard to the principle of risk spreading.

Investments of the Sub-Fund in currencies other than the Reference Currency may be hedged against the Reference Currency.

The Sub-Fund does not systematically integrate ESG criteria into its investment decision-making process since the application of ESG Criteria on the underlying assets are not possible or allowed. Sustainability risks are therefore not integrated into the investment decision-making process.

The underlying investments of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

On the level of the Sub-Fund the principal adverse impacts on sustainability factors, are not being considered since they are not in scope of the investment strategy.

"**Borrower(s)**" mean borrower(s) of the Senior Loans or any other loans to be invested in by the Sub-Fund, issuers of bonds or any other securities to be invested in by the Sub-Fund, or obligors of the collateral loan obligations or any other financial instruments to be invested in by the Sub-Fund.

### 3. Specific Investment Restrictions for the Sub-Fund

In addition to the General Investment Restrictions, the investment restrictions set out below (the "**Specific Investment Restrictions**") shall apply to the Sub-Fund:

a. The Sub-Fund may invest up to five percent (5.0%) of its Net Asset Value in loans made to and securities of any single Borrower. Investments in government bonds are not subject to this restriction.

b. The Sub-Fund currently does not intend to invest more than 30% of its Net Asset Value in obligations of Borrowers pertaining to any single industry (as defined by Bloomberg's industry group used for their indices). Investments in government bonds are not subject to this restriction.

c. The Sub-Fund may not invest in unfunded revolver loans. For the purposes of these Specific Investment Restrictions, "unfunded revolver loans" means revolver loans which are entirely unfunded at the time of purchase by the Sub-Fund.

d. The Sub-Fund can invest in Senior Loans with a public or private facility rating of "Baa1" through "B3" by Moody's or "BBB+" through "B-" by Standard & Poor's, it being understood that such ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction.

e. In case of a split rating between Standard & Poor's and Moody's that differs by two or more major rating steps for a specific facility, the worse of the two ratings must be considered in the investment decision. The Sub-Fund, however, may under no circumstances actively buy any securities rated below B- by Standard & Poor's or below B3 by Moody's. For the avoidance of doubt, ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction. However, the Sub-Fund may invest in non-rated assets in the sole discretion of the Investment Manager based on its internal investment procedures.

f. As a matter of clarification, the Sub-Fund may not issue or grant any loans or guarantees in favor of any third party.

g. The Sub-Fund will not invest in short sales or uncovered short sales.

h. The Sub-Fund will not invest or use securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

i. The Sub-Fund will not make use of derivative financial techniques and instruments for efficient portfolio management purposes.

j. The Sub-Fund will not perform any loan origination.

k. The Sub-Fund will not give any loans to the public, the AIFM, delegates or related parties.

l. The Sub-Fund may borrow up to 10% of its NAV on a temporary basis, not exceeding 12 months, for investment or liquidity management purposes.

For the avoidance of doubt, the Sub-Fund will invest in line with CSSF Circular 07/309.

If the Net Asset Value of the Sub-Fund is below U.S. dollar 200 million, the investment objectives and the Specific Investment Restrictions for the Sub-Fund may not be complied with. It being understood that the General Investment Restrictions always have be complied with prior to the entering into liquidation.

In accordance with section 9 of the Placement Memorandum, the *Investment Restrictions and investment guidelines in respect to diversification requirements* may be derogated from for a period of twelve (12) months after launch of a Sub-Fund.

## 4. Leverage

Within the meaning of the AIFM Law, leverage is any method by which the Investment Manager increases the exposure of the Fund whether through borrowing of cash or transferable securities, or leverage embedded in derivative positions or by any other means (the "**Leverage**").

Leverage is calculated in accordance with the AIFM Law and section 2 of the Commission Delegated Regulations (EU) N° 231/2013 supplementing the AIFMD, and thus in accordance with the gross method or the commitment method as set forth therein.

Leverage is controlled on a frequent basis and is expected not to exceed (as a ratio of the exposure of the Sub-Fund and its Net Asset Value) two hundred and fifty percent (250%) when using the gross method and one hundred and fifteen percent (115%) when using the commitment method.

The Sub-Fund is not reusing collateral or any guarantee under the Sub-Funds' leveraging arrangements.

## 5. Risk Factors

5.1 *Fluctuation of the Net Asset Value of the Shares*
The Net Asset Value of the Shares and income from them may fall as well as rise. On the redemption of Shares, the Shareholder may receive back an amount less than the original amount of his investment.

5.2 *Senior Loans*
There is less readily available, reliable information about most Senior Loans than is the case for many other types of securities or other assets including loans and similar types of investments. In addition the Investment Manager relies primarily on its own evaluation of Borrower credit quality rather than on any available independent sources. As a result, the Sub-Fund is particularly dependent on the analytical abilities of the Investment Manager.

Senior Loans generally are not listed on any national securities exchange or automated quotation system and no active trading market exists for many Senior Loans. As a result, many Senior Loans are illiquid, meaning that the Sub-Fund may not be able to sell them quickly at a fair price and/or that the redemptions may be delayed due to illiquidity of the Senior Loans. The market for illiquid securities is more volatile than the market for liquid securities.

The market could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates. Extraordinary and sudden changes in interest rates could disrupt the market for Senior Loans. Many Senior Loans, however, are of a large principal amount and are held by a large number of owners. This may enhance their liquidity. In addition, in recent years the number of institutional investors purchasing Senior Loans has increased. Illiquid securities are also difficult to value.

5.3 *Credit Risk of Borrower*
Senior Loans whether they are directly invested in by the Sub-Fund, like most other debt obligations, are subject to the risk of default. Default in the payment of interest or principal on a Senior Loan results in a reduction in income to the Sub-Fund, a reduction in the value of the Senior Loan and a potential decrease in the Net Asset Value of the Sub-Fund.

The Sub-Fund may acquire Senior Loans of Borrowers that are experiencing, or are more likely to experience, financial difficulty, including Senior Loans of Borrowers that have filed for bankruptcy protection. Borrowers may have outstanding debt obligations that are rated below investment grade. More recently, rating agencies have begun rating Senior Loans, and Senior Loans in the Sub-Fund's portfolio may themselves be rated below investment grade. The Sub-Fund may invest a substantial portion of its assets in Senior Loans of Borrowers that have outstanding debt obligations rated below investment grade or that are unrated but of comparable quality to such securities. Debt securities rated below investment grade are viewed by the rating agencies as speculative and are commonly known as "junk bonds". Senior Loans may not be rated at the time that the Sub-Fund purchases them. If a Senior Loan is rated at the time of purchase, the Investment Manager may consider the rating when evaluating the Senior Loan but, in any event, does not view ratings as a determinative factor in investment decisions. As a result, the Sub-Fund is more dependent on the Investment Manager's credit analysis abilities. Because of the protective terms of Senior Loans, the Investment Manager believes that the Sub-Fund is more likely to recover more of its investment in a defaulted

Senior Loan than would be the case for most other types of defaulted debt securities. The values of Senior Loans of Borrowers that have filed for bankruptcy protection or that are experiencing payment difficulty could be affected by, among other things, the assessment of the likelihood that the lenders ultimately will receive repayment of the principal amount of such Senior Loans, the likely duration, if any, of a lapse in the scheduled payment of interest and repayment of principal and prevailing interest rates. There is no assurance that the Sub-Fund will be able to recover any amount on Senior Loans of such Borrowers.

In the case of collateralized Senior Loans, there is no assurance that sale of the collateral would raise enough cash to satisfy the Borrower's payment obligation or that the collateral can or will be liquidated. In the event of bankruptcy, liquidation may not occur and the court may not give lenders the full benefit of their senior positions. If the terms of a Senior Loan do not require the Borrower to pledge additional collateral in the event of a decline in the value of the original collateral, the Sub-Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Senior Loans. To the extent that a Senior Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose all of its value in the event of bankruptcy of the Borrower. Uncollateralized Senior Loans involve a greater risk of loss.

In addition to the credit risk of Borrowers in connection with Senior Loans, there are special risk considerations associated with investing in loans, bonds, equities, warrants and any other securities. Even though the Sub-Fund may invest in government bonds, government guaranteed bonds, bonds issued by supranational authorities and other permitted securities, such securities are subject to credit risk and market risk. Credit risk means such securities are subject to the risk of a Borrower's inability to meet principal and interest payments. Market risk means such securities may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the Borrower and general market liquidity.

5.4 *Interest Rates and Maturity*

Interest rates on Senior Loans adjust periodically. The interest rates are adjusted based on a base rate plus a premium or spread over the base rate. The base rate for US Dollar denominated Senior Loans usually is the London Inter-Bank Offered Rate ("**LIBOR**"), the prime rate offered by one or more major United States banks (the "**Prime Rate**") or the certificate of deposit rate (the "**CD Rate**") or other base lending rates used by commercial lenders. The base rate for Euro denominated Senior Loans usually is the European Inter-Bank Offered Rate ("EURIBOR") LIBOR, as provided for in loan agreements, usually is an average of the interest rates quoted by several designated banks as the rates at which they pay interest to major depositors in the London interbank market on U.S. Dollar denominated deposits. The Investment Manager believes that changes in short-term LIBOR rates are closely related to changes in the Federal Reserve federal funds rate, although the two are not technically linked. The Prime Rate quoted by a major U.S. bank is generally the interest rate at which that bank is willing to lend U.S. Dollars to the most creditworthy Borrowers, although it may not be the bank's lowest available rate. The CD Rate, as provided for in loan agreements, usually is the average rate paid on large certificates of deposit traded in the secondary market. Since 2021, the LIBOR is gradually being replaced by the secured overnight financing rate (SOFR). SOFR is a secured, overnight funding rate based on US Treasury repo transactions. The Alternative Reference Rates Committee (ARRC), appointed by the Federal Reserve Bank of New York, requires all LIBOR rate contracts to be replaced by SOFR by end of June of 2023.

When interest rates rise, the values of fixed income securities generally decline. When interest rates fall, the values of fixed income securities generally increase. The Investment Manager believes that investing in adjustable rate Senior Loans should limit fluctuations in the Net Asset Value of the Sub-Fund caused by changes in interest rates. The Investment Manager expects the values of its Senior Loan investments to fluctuate less than the values of fixed rate, longer-term income securities in response to the changes in interest rates. Changes in interest rates can, however, cause some fluctuation in the Net Asset Value of the Sub-Fund.

5.5 *Exchange Risk*

As the Sub-Fund will invest in securities and other assets including loans and similar types of investments that may be denominated in currencies other than a currency of a Class of Shares of the Sub-Fund, changes in the exchange rates of such currencies of the investments relative to the currencies of Shares will affect the value of Shares of the Sub-Fund.

*5.6 Sustainability (related) risks and its likely impact on the performance*

Sustainability Risks may have a significant impact on some of the other risk types described in this section and contribute as a factor to the materiality of these risk types. An issuer that engages in activities that seriously undermine one or more of the sustainability factors is exposed, among others, to reputational and market risk that could adversely affect the value of financial instruments issued by it and held by the fund. Exposure to this risk could therefore result in a decrease in the net asset value.

Such risk is also linked to climate-related events resulting from climate change (called physical risks) or to the society's response to climate change (called transition risks), which may result in unanticipated losses that could affect the Sub-Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, 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 impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. As all sub funds are in principal geographically, sectorial and asset class diversified, there is no particular concentration amplifying the risk.

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.

## 6. Investment Manager

The AIFM has delegated the portfolio management and has appointed Swiss Life Asset Management AG (the "**Investment Manager**" in this Appendix IV) to act as investment manager and make, subject to the overall control and responsibility of the AIFM, discretionary investments with respect to the investment and reinvestment of the assets of the Sub-Fund. The Investment Management Agreement with the Investment Manager was entered into on 27 September 2017 with an effective date of 19 September 2017 and was subsequently updated to include the Sub-Fund.

As part of the performance of the services delegated by the AIFM, the Investment Manager may use the support of resources of other entities of the Swiss Life Group, but shall remain in any case fully responsible for the performance of the discretionary investment decisions with respect to the investment and reinvestment of the assets of the Sub-Fund.

The Investment Manager may delegate, at its own expense and with prior written approval of the AIFM, any or all of its duties to other companies, provided that the Investment Manager shall remain responsible for the acts and omissions of any such delegate in relation to such duties delegated to it as if such acts or omissions were those of the Investment Manager.

The Investment Manager advises and represents clients worldwide in providing its investment management services. In providing services to its clients, the Investment Manager may purchase, invest in or otherwise deal with participations in Senior Loans on behalf of its other clients.

The AIFM has also delegated some powers to the Investment Manager relating to the subscription, redemption, conversion or transfer of Shares as further detailed in this Appendix.

**7. Base Currency of the Sub-Fund**

The base currency is U.S. Dollars.

**8. Classes of Shares**

The Sub-Fund currently offers one Class of Shares with the characteristics described in the schedule "Classes of Shares and characteristics" disclosed in this section.

Shares will be issued to three (3) decimal places.

Classes of Shares and characteristics

| Class of Shares | Availability | Currency | Distribution/ Accumulation | Initial subscription price | Minimum Initial Investment Amount | Minimum Holding Amount | Management Fee |
|---|---|---|---|---|---|---|---|
| I | Available, at the discretion of the AIFM, to Eligible Investors | USD | Quarterly Distribution | 10,000.- USD | 10 million USD (or equivalent) | 10 million USD (or equivalent) | Up to 1.2 % per annum of the Net Asset Value |

Class I Shares of this Sub-Fund are Founding Shares.

Marketing or distribution of the Shares is not intended.

For more details on distribution policy, minimum investment amount and minimum holding amount and management fees, please see sections 9, 10 and 15 respectively in this Appendix IV. For further information on fees and charges applicable to the Fund, please refer to the section "Fees and Expenses" of the Placement Memorandum of the Fund.

**9. Distribution Policy**

It is intended that income distributions will be made. The Sub-Fund expects, based on its investment objective and strategies that its distributions, if any, will consist of ordinary income, capital gains, or some combination of both.

The Fund declares and pays dividends (for the avoidance of doubt including interim dividends) from gross investment income, to the extent feasible and at its sole discretion.

Payment of dividends out of gross income means that all part of the fees and expenses attributable to the Sub-Fund can be allocated to capital. As a consequence the distribution amount per Shares may be different between distribution periods.

All the distributions in cash will normally be paid out on the 8th Business Day of the month following the end of the period.

For the avoidance of doubt, interim dividends may be distributed during the Fund's first financial year and also prior to the preparation of audited annual accounts.

Distribution will be processed only in the Sub-Fund currency.

Additional information on distributions can be obtained in section 24 headed "Distributions" of the Placement Memorandum.

**10. Minimum Investment Amount and Minimum Holding Amount**

The minimum initial investment amount and the minimum holding amount in each Class of Shares are disclosed in the schedule "Classes of Shares and characteristics" above in section 8.

Shareholders must comply with the minimum holding amount of the relevant Class of Shares at all times.

**11. Valuation Day**

"**Valuation Day**" means every last Business Day of the month, or such other dates as determined by the AIFM and notified to Shareholders in advance for which the NAV is calculated for the relevant Valuation Point.

**12. Issue of Shares**

General rules:

Issue of Shares in the Sub-Fund is subject to the restrictions on ownership described in this Placement Memorandum in the sections headed "Issue of Shares" and sub-section "Restrictions of the ownership".

Applications for subscriptions for Shares should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to application for subscriptions shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent which may be amended from time to time.

Subscriptions are subject to the prior approval of the AIFM and to the completion of the required Application Form.

The AIFM may, at its sole discretion, accept contributions in kind in accordance with the sections in the main body of the Placement Memorandum headed, "Issue of Shares".

Statements can be provided if required on request. Subscribers should note that while receipt of the completed Application Form and Identification Documents are pending, all transactions may be rejected or delayed.

Only fully paid-up Shares will be issued in the Sub-Fund.

The sections in the main body of the Placement Memorandum headed, "Issue of Shares" and "Other Important Dealing Information" apply to the Sub-Fund.

12.1 Subscription for Class I Shares

Subscriptions in cash can only be made in the Sub-Fund's currency.

12.1.1 During the Initial Offering Period

The initial offering period for the Class I shall commence on the launch date of the Sub-Fund and end on the earlier of the 30.09.2018 or when the total subscription has reached USD 150,000,000.- (the "**Initial Offering Period**"). During this Initial Offering Period, the Shares of Class I can be issued and shall be issued at the initial subscription price described in the schedule "Classes of Shares and characteristics" disclosed in this section.

The payment for initial subscription is to be received for good value as indicated in the subscription documentation, such deadline occurring on the last day of the Initial Offer Period at the latest, unless the AIFM decides to postpone such date of payment and duly informs investors prior to that. The Shares shall be issued to the relevant subscribers on the eighth (8th) Business Day after the effective payment of the initial subscription price.

12.1.2 After the Initial Offering Period

Thereafter, the AIFM may further issue an unlimited number of fully paid-up Class I Shares with respect to each Valuation Day.

After the end of the initial subscription period, the Shares of Class I shall be issued at the applicable Net Asset Value. Applications for subscriptions for Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least two (2) Business Days prior to the applicable Valuation Day (the "**Subscription Cut-Off Time**"). At the discretion of the Investment Manager, all or parts of the subscriptions received for a Valuation Day can be deferred to the next Valuation Day or such other Valuation Day as determined by the Investment Manager. It is noted that, in such case, the option is given to the applicant to withdraw its application. Any deferred request or portion will be carried forward and effected, on a pro rata basis where necessary, for the following Valuation Day, until the subscription requests are executed in full. Subscription requests carried forward will not be prioritized over other applications for subscription received for a given Valuation Day and shall be treated with respect to the unsatisfied balance thereof as if a further subscription request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days.

Payment must be made within eight (8) Business Days following the respective Valuation Day for which the application for purchase of Shares is received (or deemed to have been received). Payment should be made in the currency of the purchased Class of Shares.

The Shares shall be issued to the relevant subscribers on the eighth ($8^{th}$) Business Day after the effective payment of the subscription price.

## 13. Redemption of Shares

Redemptions are possible every Valuation Day, subject to the restriction below. Applications for redemptions of Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least five (5) Business Day prior to the applicable Valuation Day (the "**Redemption Cut-Off Time**").

Redemption requests received (or deemed to have been received) after the Redemption Cut-Off Time on a Valuation Day will be processed on the next Valuation Day.

Redemption requests should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to redemption requests shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent from time to time.

Shareholders should note that while receipt of Identification Documents is pending, redemption proceeds cannot be remitted to Shareholders.

Payment of redemption proceeds shall be made in the currency of the respective Class of Shares. Such payment shall normally be made, within fifteen (15) Business Days following the respective Dealing Day. However, where there are difficulties in liquidating relevant assets, including loans and similar types of investments, payment will be made as soon as reasonably practicable. No interest shall be paid on delayed redemption proceeds.

The AIFM will at all times aim to meet all redemption requests received (or deemed to have been received) for each Valuation Day. In certain circumstances however the AIFM may not be able to meet all redemption requests (in full or in part), for example as a consequence of the illiquidity of many Senior Loans (please see section 5 in this Appendix for further details), the events set out in the section, "Suspension of the Determination of the Net Asset Value of Shares" in this Placement Memorandum, or the need to protect the interests of the Fund, the Sub-Fund and/or Shareholders (as the AIFM may in its discretion determine). Accordingly the AIFM reserves the right in its discretion to defer or scale down pro rata each redemption request. In any of the above listed situations, redemptions may only be suspended under exceptional circumstances and for a period not exceeding thirty-six (36) months.

If for any reason redemption payments are delayed, payments will be made to Shareholders as soon as reasonably practicable and interest shall not be paid.

If the holding of any Shareholder in any Class falls at any time below the relevant minimum holding amount for that Class as a direct result of a redemption request, the AIFM may compulsorily redeem or convert (if applicable) into another Class with a lower minimum holding amount the remaining holding of such Shareholder in that Class, subject to sections "Redemption of Shares" and "Conversion of Shares".

For the avoidance of doubt this Sub-Fund is not designed for investors with short term investment horizons.

If an application for redemption or conversion is received from a Shareholder in respect of any Valuation Day (the "**First Valuation Day**"), which either alone or when aggregated with other redemption applications, represents four percent (4%) or more of the Net Asset Value of the Sub-Fund, the AIFM reserves the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to limit the value of redemptions of such First Valuation Day so that not more than four percent (4%) or more of the Net Asset Value of the Sub-Fund be redeemed or converted for such First Valuation Day.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

Where this restriction applies, redemptions in respect of the First Valuation Day will be on a *pro rata* basis and any redemptions which for this reason do not occur as of that Valuation Day will be carried forward for redemption respect of the next Valuation Day in priority to requests for redemptions in the Sub-Fund, received by the Administrative Agent in respect of Valuation Days subsequent to the imposition of any gate. The AIFM may in its discretion determine to impose a gate at any time, whether before, during or after the Valuation with respect to which the gate is to be imposed.

## 14. Determination of the Net Asset Value per Class of Shares

The Net Asset Value per Class of Shares will be calculated/finalised on each Dealing Day in accordance with section "Determination of the Net Asset Value of Shares".

The "Valuation Point" for the assets of the Sub-Fund shall be the last close of business of the relevant market for the relevant assets on the applicable Valuation Day or the day immediately preceding the applicable Valuation Day, as the case may be.

The Net Asset Value per Class of Shares of the Sub-Fund is determined by or at the direction of the AIFM in the base currency of the Sub-Fund. The Net Asset Value per Share will be expressed and provided in the relevant currency of the Class of Shares. The Net Asset Value per Class of Shares will be available at the offices of the Fund, the AIFM and the Depositary by close of business on 5th Business Day following the applicable Valuation Day.

**15. Fees of the AIFM and Investment Manager**

The AIFM is entitled to receive a management fee in respect of each Class of Shares as disclosed in the schedule "Classes of Shares and characteristics" in section 8 of this Appendix. This management fee is a percentage per annum of the Net Asset Value of the relevant Class of Shares, accrued daily and payable monthly in arrears, based on the last available Net Asset Value out of the assets of the relevant Sub-Fund.

The Investment Manager is paid out of the management fee received by the AIFM in accordance with the terms of the Investment Management Agreement relating to the portfolio management of the Sub-Fund.

**16. Duration of the Sub-Fund**

The Sub-Fund is established for an undetermined period.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

# APPENDIX V

Relating to the Sub-Fund

## Swiss Life Loan Fund (LUX) S.A., SICAV-SIF - Senior Secured Loans V

**1. Name of the Sub-Fund**

Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – Senior Secured Loans V (the "**Sub-Fund"** in this Appendix V).

**2. Investment Objective and Investment Guidelines**

2.3 Investment Objective

The Sub-Fund's investment objective is to provide a high level of current income, consistent with the preservation of capital, by investing mainly in adjustable rate senior loans ("**Senior Loans**") either directly or indirectly

2.4 Investment strategy for the Sub-Fund

Senior Loans are business loans made to Borrowers (as defined below) that may be corporations, partnerships or other entities.

These Borrowers may operate in a variety of industries and geographic regions. Senior Loans generally are negotiated between a Borrower and several financial institution lenders represented by one or more lenders acting as agent for all the lenders. The agent is responsible for negotiating the loan agreement that establishes the terms and conditions of the Senior Loan and the rights of the Borrower and the lenders. Senior Loans may include loans such as syndicated loans, senior leveraged loans, mezzanine loans, revolver loans, delayed draw term loans, second-lien loans, floating-rate note (FRN) and senior debt that are in the form of notes.

Investments into any other loan investment funds are permitted.

The Sub-Fund may on an ancillary basis only, invest in exchange traded funds (so called ETFs).

The Sub-Fund will invest directly or indirectly at least 85% of its Net Asset Value in first lien senior secured loans (no participations, derivatives, or the like).

The Sub-Fund may also invest in US short term treasury bills.

The Sub-Fund may also invest up to 15% of its Net Asset Value in:

- second lien Senior Loans;
- collateral loan obligations;
- high yield bonds and investment grade bonds;
- equities (and other assets) received in connection with the investment in a Senior Loan or as the result of rights arising out of bankruptcy proceedings relating to Borrowers;
- Government bonds (excluding those qualifying as liquid assets).

The investment of assets will be made in accordance with the principle of risk diversification, meaning that, in addition to any general investment restrictions included in section 9 of the Placement Memorandum, the Sub-Fund will at all-time invest at a minimum, in more than three assets with different risk profiles, complying with the principle of risk diversification (Please refer to the General Investment Restrictions in section 9 of the Placement Memorandum).

Each Sub-Fund may, on an ancillary basis, hold Liquid Assets when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. In exceptional market circumstances and on a temporary basis only, 100% of the Sub-Fund's net assets may be invested in Liquid Assets, with due regard to the principle of risk spreading.

Investments of the Sub-Fund in currencies other than the Reference Currency may be hedged against the Reference Currency.

The Sub-Fund does not systematically integrate ESG criteria into its investment decision-making process since the application of ESG Criteria on the underlying assets are not possible or allowed. Sustainability risks are therefore not integrated into the investment decision-making process.

The underlying investments of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

On the level of the Sub-Fund the principal adverse impacts on sustainability factors, are not being considered since they are not in scope of the investment strategy.

"**Borrower(s)**" mean borrower(s) of the Senior Loans or any other loans to be invested in by the Sub-Fund, issuers of bonds or any other securities to be invested in by the Sub-Fund, or obligors of the collateral loan obligations or any other financial instruments to be invested in by the Sub-Fund.

**3. Specific Investment Restrictions for the Sub-Fund**

In addition to the General Investment Restrictions, the investment restrictions set out below (the "**Specific Investment Restrictions**") shall apply to the Sub-Fund:

a. The Sub-Fund may invest up to five percent (5.0%) of its Net Asset Value in loans made to and securities of any single Borrower. Investments in government bonds are not subject to this restriction.

b. The Sub-Fund currently does not intend to invest more than 30% of its Net Asset Value in obligations of Borrowers pertaining to any single industry (as defined by Bloomberg's industry group used for their indices). Investments in government bonds are not subject to this restriction.

c. The Sub-Fund may not invest in unfunded revolver loans. For the purposes of these Specific Investment Restrictions, "unfunded revolver loans" means revolver loans which are entirely unfunded at the time of purchase by the Sub-Fund.

d. The Sub-Fund can invest in Senior Loans with a public or private facility rating of "Baa1" through "B3" by Moody's or "BBB+" through "B-" by Standard & Poor's, it being understood that such ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction.

e. In case of a split rating between Standard & Poor's and

Moody's that differs by two or more major rating steps for a specific facility, the worse of the two ratings must be considered in the investment decision. The Sub-Fund, however, may under no circumstances actively buy any securities rated below B- by Standard & Poor's or below B3 by Moody's. For the avoidance of doubt, ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction. However, the Sub-Fund may invest in non-rated assets in the sole discretion of the Investment Manager based on its internal investment procedures.

f. As a matter of clarification, the Sub-Fund may not issue or grant any loans or guarantees in favor of any third party.

g. The Sub-Fund will not invest in short sales or uncovered short sales.

h. The Sub-Fund will not invest or use securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

i. The Sub-Fund will not make use of derivative financial techniques and instruments for efficient portfolio management purposes.

j. The Sub-Fund will not perform any loan origination.

k. The Sub-Fund will not give any loans to the public, the AIFM, delegates or related parties.

l. The Sub-Fund may borrow up to 10% of its NAV on a temporary basis, not exceeding 12 months, for investment or liquidity management purposes.

For the avoidance of doubt, the Sub-Fund will invest in line with CSSF Circular 07/309.

If the Net Asset Value of the Sub-Fund is below U.S. dollar 200 million, the investment objectives and the Specific Investment Restrictions for the Sub-Fund may not be complied with. It being understood that the General Investment Restrictions always have be complied with prior to the entering into liquidation.

In accordance with section 9 of the Placement Memorandum, the *Investment Restrictions and investment guidelines in respect to diversification requirements* may be derogated from for a period of twelve (12) months after launch of a Sub-Fund.

## 4. Leverage

Within the meaning of the AIFM Law, leverage is any method by which the Investment Manager increases the exposure of the Fund whether through borrowing of cash or transferable securities, or leverage embedded in derivative positions or by any other means (the "**Leverage**").

Leverage is calculated in accordance with the AIFM Law and section 2 of the Commission Delegated Regulations (EU) N° 231/2013 supplementing the AIFMD, and thus in accordance with the gross method or the commitment method as set forth therein.

Leverage is controlled on a frequent basis and is expected not to exceed (as a ratio of the exposure of the Sub-Fund and its Net Asset Value) two hundred and fifty percent (250%) when using the gross method and one hundred and fifteen percent (115%) when using the commitment method.

The Sub-Fund is not reusing collateral or any guarantee under the Sub-Funds' leveraging arrangements.

## 5. Risk Factors

*5.1 Fluctuation of the Net Asset Value of the Shares*

The Net Asset Value of the Shares and income from them may fall as well as rise. On the redemption of Shares, the Shareholder may receive back an amount less than the original amount of his investment.

*5.2 Senior Loans*

There is less readily available, reliable information about most Senior Loans than is the case for many other types of securities or other assets including loans and similar types of investments. In addition the Investment Manager relies primarily on its own evaluation of Borrower credit quality rather than on any available independent sources. As a result, the Sub-Fund is particularly dependent on the analytical abilities of the Investment Manager.

Senior Loans generally are not listed on any national securities exchange or automated quotation system and no active trading market exists for many Senior Loans. As a result, many Senior Loans are illiquid, meaning that the Sub-Fund may not be able to sell them quickly at a fair price and/or that the redemptions may be delayed due to illiquidity of the Senior Loans. The market for illiquid securities is more volatile than the market for liquid securities.

The market could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates. Extraordinary and sudden changes in interest rates could disrupt the market for Senior Loans. Many Senior Loans, however, are of a large principal amount and are held by a large number of owners. This may enhance their liquidity. In addition, in recent years the number of institutional investors purchasing Senior Loans has increased. Illiquid securities are also difficult to value.

*5.3 Credit Risk of Borrower*

Senior Loans whether they are directly invested in by the Sub-Fund, like most other debt obligations, are subject to the risk of default. Default in the payment of interest or principal on a Senior Loan results in a reduction in income to the Sub-Fund, a reduction in the value of the Senior Loan and a potential decrease in the Net Asset Value of the Sub-Fund.

The Sub-Fund may acquire Senior Loans of Borrowers that are experiencing, or are more likely to experience, financial difficulty, including Senior Loans of Borrowers that have filed for bankruptcy protection. Borrowers may have outstanding debt obligations that are rated below investment grade. More recently, rating agencies have begun rating Senior Loans, and Senior Loans in the Sub-Fund's portfolio may themselves be rated below investment grade. The Sub-Fund may invest a substantial portion of its assets in Senior Loans of Borrowers that have outstanding debt obligations rated below investment grade or that are unrated but of comparable quality to such securities. Debt securities rated below investment grade are viewed by the rating agencies as speculative and are commonly known as "junk bonds". Senior Loans may not be rated at the time that the Sub-Fund purchases them. If a Senior Loan is rated at the time of purchase, the Investment Manager may consider the rating when evaluating the Senior Loan but, in any event, does not view ratings as a determinative factor in investment decisions. As a result, the Sub-Fund is more dependent on the Investment Manager's credit analysis abilities. Because of the protective terms of Senior Loans, the Investment Manager believes that the Sub-Fund is more likely to recover more of its investment in a defaulted Senior Loan than would be the case for most other types of defaulted debt securities. The values of Senior Loans of Borrowers that have filed for bankruptcy protection or that are experiencing payment difficulty could be affected by, among other things, the assessment of the likelihood that the lenders ultimately will receive repayment of the principal amount of such Senior Loans, the likely duration, if any, of a lapse in the scheduled payment of interest and repayment of principal and prevailing interest rates. There is no assurance that the Sub-Fund will be able to recover any amount on Senior Loans of such Borrowers.

In the case of collateralized Senior Loans, there is no assurance that sale of the collateral would raise enough cash to satisfy the Borrower's payment obligation or that the collateral can or will be liquidated. In the event of bankruptcy, liquidation may not occur and the court may not give lenders the full benefit of their senior positions. If the terms of a Senior Loan do not require the Borrower to pledge additional collateral in the event of a decline in the value of the original collateral, the Sub-Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Senior Loans. To the extent that a Senior Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose all of its value in the event of bankruptcy of the Borrower. Uncollateralized Senior Loans involve a greater risk of loss.

In addition to the credit risk of Borrowers in connection with Senior Loans, there are special risk considerations associated with investing in loans, bonds, equities, warrants and any other securities. Even though the Sub-Fund may invest in government bonds, government guaranteed bonds, bonds issued by supranational authorities and other permitted securities, such securities are subject to credit risk and market risk. Credit risk means such securities are subject to the risk of a Borrower's inability to meet principal and interest payments. Market risk means such securities may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the Borrower and general market liquidity.

*5.4 Interest Rates and Maturity*
Interest rates on Senior Loans adjust periodically. The interest rates are adjusted based on a base rate plus a premium or spread over the base rate. The base rate for US Dollar denominated Senior Loans usually is the London Inter-Bank Offered Rate ("**LIBOR**"), the prime rate offered by one or more major United States banks (the "**Prime Rate**") or the certificate of deposit rate (the "**CD Rate**") or other base lending rates used by commercial lenders. The base rate for Euro denominated Senior Loans usually is the European Inter-Bank Offered Rate ("EURIBOR"). LIBOR, as provided for in loan agreements, usually is an average of the interest rates quoted by several designated banks as the rates at which they pay interest to major depositors in the London interbank market on U.S. Dollar denominated deposits. The Investment Manager believes that changes in short-term LIBOR rates are closely related to changes in the Federal Reserve federal funds rate, although the two are not technically linked. The Prime Rate quoted by a major U.S. bank is generally the interest rate at which that bank is willing to lend U.S. Dollars to the most creditworthy Borrowers, although it may not be the bank's lowest available rate. The CD Rate, as provided for in loan agreements, usually is the average rate paid on large certificates of deposit traded in the secondary market. Since 2021, the LIBOR is gradually being replaced by the secured overnight financing rate (SOFR). SOFR is a secured, overnight funding rate based on US Treasury repo transactions. The Alternative Reference Rates Committee (ARRC), appointed by the Federal Reserve Bank of New York, requires all LIBOR rate contracts to be replaced by SOFR by end of June of 2023.

When interest rates rise, the values of fixed income securities generally decline. When interest rates fall, the values of fixed income securities generally increase. The Investment Manager believes that investing in adjustable rate Senior Loans should limit fluctuations in the Net Asset Value of the Sub-Fund caused by changes in interest rates. The Investment Manager expects the values of its Senior Loan investments to fluctuate less than the values of fixed rate, longer-term income securities in response to the changes in interest rates. Changes in interest rates can, however, cause some fluctuation in the Net Asset Value of the Sub-Fund.

*5.5 Exchange Risk*
As the Sub-Fund will invest in securities and other assets including loans and similar types of investments that may be denominated in currencies other than a currency of a Class of Shares of the Sub-Fund, changes in the exchange rates of such currencies of the investments relative to the currencies of Shares will affect the value of Shares of the Sub-Fund.

*5.6 Sustainability (related) risks and its likely impact on the performance*
Sustainability Risks may have a significant impact on some of the other risk types described in this section and contribute as a factor to the materiality of these risk types.
An issuer that engages in activities that seriously undermine one or more of the sustainability factors is exposed, among others, to reputational and market risk that could adversely affect the value of financial instruments issued by it and held by the fund. Exposure to this risk could therefore result in a decrease in the net asset value.

Such risk is also linked to climate-related events resulting from climate change (called physical risks) or to the society's response to climate change (called transition risks), which may result in unanticipated losses that could affect the Sub-Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, 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 impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. As all sub funds are in principal geographically, sectorial and asset class diversified, there is no particular concentration amplifying the risk.
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.

## 6. Investment Manager

The AIFM has delegated the portfolio management and has appointed Swiss Life Asset Management AG (the "**Investment Manager**" in this Appendix V) to act as investment manager and make, subject to the overall control and responsibility of the AIFM, discretionary investments with respect to the investment and reinvestment of the assets of the Sub-Fund. The Investment Management Agreement with the Investment Manager was entered into on 27 September 2017 with an effective date of 19 September 2017.

As part of the performance of the services delegated by the AIFM, the Investment Manager may use the support of resources of other entities of the Swiss Life Group, but shall remain in any case fully responsible for the performance of the discretionary investment decisions with respect to the investment and reinvestment of the assets of the Sub-Fund.

The Investment Manager may delegate, at its own expense and with prior written approval of the AIFM, any or all of its duties to other companies, provided that the Investment Manager shall remain responsible for the acts and omissions of any such delegate in relation to such duties delegated to it as if such acts or omissions were those of the Investment Manager.

The Investment Manager advises and represents clients worldwide in providing its investment management services. In providing services to its clients, the Investment Manager may purchase, invest in or otherwise deal with participations in Senior Loans on behalf of its other clients.

The AIFM has also delegated some powers to the Investment Manager relating to the subscription, redemption, conversion or transfer of Shares as further detailed in this Appendix.

**7. Base Currency of the Sub-Fund**

The base currency is U.S. Dollars.

**8. Classes of Shares**

The Sub-Fund currently offers several Classes of Shares with the characteristics described in the schedule "Classes of Shares and characteristics" disclosed in this section.

Shares will be issued to three (3) decimal places.

Classes of Shares and characteristics

| Class of Shares | Availability | Currency | Distribution/ Accumulation | Initial subscription price | Minimum Initial Investment Amount | Minimum Holding Amount | Management Fee |
|---|---|---|---|---|---|---|---|
| I - Founding Shares | Available only for Swiss Life entities | USD | Yearly Distribution | 10,000.- USD | 10.000,- USD (or equivalent) | 10.000,- USD (or equivalent) | Up to 1.2 % per annum of the Net Asset Value |
| Institutional | Available, at the discretion of the AIFM, to Eligible Investors | USD | Yearly Distribution | 100- USD | 125.000,- USD (or equivalent) | 125.000,- USD (or equivalent) | Up to 1.2 % per annum of the Net Asset Value |
| AM | Available, at the discretion of the AIFM, to Eligible Investors | USD | Yearly Distribution | 100- USD | 125.000,- USD (or equivalent) | 125.000,- USD (or equivalent) | Up to 1.2 % per annum of the Net Asset Value |
| Institutional – hedged | Available, at the discretion of the AIFM, to Eligible Investors | CHF | Yearly Distribution | 100- CHF | 125.000,- CHF | 125.000,- CHF | Up to 1.2 % per annum of the Net Asset Value |
| AM – hedged | Available, at the discretion of the AIFM, to Eligible Investors | CHF | Yearly Distribution | 100- CHF | 125.000,- CHF | 125.000,- CHF | Up to 1.2 % per annum of the Net Asset Value |
| Institutional – hedged | Available, at the discretion of the AIFM, to Eligible Investors | EUR | Yearly Distribution | 100- EUR | 125.000,- EUR | 125.000,- EUR | Up to 1.2 % per annum of the Net Asset Value |
| AM – hedged | Available, at the discretion of the AIFM, to Eligible Investors | EUR | Yearly Distribution | 100- EUR | 125.000,- EUR | 125.000,- EUR | Up to 1.2 % per annum of the Net Asset Value |

Class I Shares of this Sub-Fund held by Swiss Life Group entities qualify as Founding Shares.

Class Institutional Shares (“**I-Shares**”) are restricted to institutional investors, which also qualify as Eligible Investors.

Class AM Shares (“**AM-Shares**”) are restricted to institutional investors, which also qualify as Eligible Investors, that have concluded an asset management agreement with Swiss Life Asset Management AG or any other entity belonging to Swiss Life Group. A reduced management fee will be payable in respect of AM-Shares out of the net assets of the relevant Sub-Fund. The Sub-Fund will not issue AM-Shares to any investor who is not a client of Swiss Life Group entity.

It is intended to distribute and market the Shares of the Sub-Fund to Eligible Investors in France, Germany and Switzerland, as well as in other countries, at the discretion of the AIFM. For the avoidance of doubt, Class I – Founding Shares are not distributed or marketed.

For more details on distribution policy, minimum investment amount and minimum holding amount and management fees, please see sections 9, 10 and 15 respectively in this Appendix V. For further information on fees and charges applicable to the Fund, please refer to the section “Fees and Expenses” of the Placement Memorandum of the Fund.

## 9. Distribution Policy

It is intended that income distributions will be made. The Sub-Fund expects, based on its investment objective and strategies that its distributions, if any, will consist of ordinary income, capital gains, or some combination of both.

The Fund declares and pays dividends (for the avoidance of doubt including interim dividends) from gross investment income, to the extent feasible and at its sole discretion.

Payment of dividends out of gross income means that all part of the fees and expenses attributable to the Sub-Fund can be allocated to capital. As a consequence the distribution amount per Shares may be different between distribution periods.

For distributing Classes of Shares held through Clearstream or Euroclear, reinvestment of distributions will not be possible and distributions (if any) will be paid in cash regardless of the amount.

For the avoidance of doubt, interim dividends may be distributed during the Fund's first financial year and also prior to the preparation of audited annual accounts.

Distributions will be processed only in relevant Share Class' currency and will usually be paid within four months after the financial year end.

Additional information on distributions can be obtained in section 24 headed "Distributions" of the Placement Memorandum.

## 10. Minimum Investment Amount and Minimum Holding Amount

The minimum initial investment amount and the minimum holding amount in each Class of Shares are disclosed in the schedule "Classes of Shares and characteristics" above in section 8.

Shareholders must comply with the minimum holding amount of the relevant Class of Shares at all times.

## 11. Valuation Day

"**Valuation Day**" means every last Business Day of the month, or such other dates as determined by the AIFM and notified to Shareholders in advance for which the NAV is calculated for the relevant Valuation Point.

## 12. Issue of Shares

General rules:

Issue of Shares in the Sub-Fund is subject to the restrictions on ownership described in this Placement Memorandum in the sections headed "Issue of Shares" and sub-section "Restrictions of the ownership".

Applications for subscriptions for Shares should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to application for subscriptions shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent which may be amended from time to time.

The Fund may, at its sole discretion, accept contributions in kind in accordance with the sections in the main body of the Placement Memorandum headed, "Issue of Shares".

Statements can be provided if required on request. Subscribers should note that while receipt of the completed Application Form and Identification Documents are pending, all transactions may be rejected or delayed.

Only fully paid-up Shares will be issued in the Sub-Fund.

The sections in the main body of the Placement Memorandum headed, "Issue of Shares" and "Other Important Dealing Information" apply to the Sub-Fund.

12.1 Subscription for Shares

Subscriptions in cash can only be made in the Share Class' currency.

12.1.1 During the Initial Offering Period

The initial offering period shall commence on the launch date of the Sub-Fund and end on the earlier of the 31 March 2019 or when the total subscription has reached USD 75.000.000,- (the "**Initial Offering Period**"). During this Initial Offering Period, the Shares can be issued and shall be issued at the initial subscription price described in the schedule "Classes of Shares and characteristics" disclosed in this section.

The payment for initial subscription is to be received for good value as indicated in the subscription documentation, such deadline occurring on the last day of the Initial Offer Period at the latest, unless the AIFM decides to postpone such date of payment and duly informs investors prior to that. The Shares shall be issued to the relevant subscribers on the eighth ($8^{th}$) Business Day after the effective payment of the initial subscription price.

12.1.2 After the Initial Offering Period

Thereafter, the AIFM may further issue an unlimited number of fully paid-up Shares with respect to each Valuation Day.

After the end of the initial subscription period, the Shares shall be issued at the applicable Net Asset Value.

Applications for subscriptions for Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least two (2) Business Days prior to the applicable Valuation Day (the "**Subscription Cut-Off Time**"). At the discretion of the Investment Manager, all or parts of the subscriptions received for a Valuation Day can be deferred to the next Valuation Day or such other Valuation Day as determined by the Investment Manager. It is noted that, in such case, the option is given to the applicant to withdraw its application. Any deferred request or portion will be carried forward and effected, on a pro rata basis where necessary, for the following Valuation Day, until the subscription requests are executed in full. Subscription requests carried forward will not be prioritized over other applications for subscription received for a given Valuation Day and shall be treated with respect to the unsatisfied balance thereof as if a further subscription request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days.

Payment must be made within eight (8) Business Day following the respective Valuation Day for which the application for purchase of Shares is received (or deemed to have been received). Payment should be made in the currency of the purchased Class of Shares.

The Shares shall be issued to the relevant subscribers on the eighth ($8^{th}$) Business Day after the effective payment of the subscription price.

### 13. Redemption of Shares

Redemptions are possible every Valuation Day, subject to the restriction below. Applications for redemptions of Shares in the Sub-Fund must be received by the Registrar and Transfer Agent by 10 p.m. Luxembourg time at least five (5) Business Day prior to the applicable Valuation Day (the "**Redemption Cut-Off Time**").

Redemption requests received (or deemed to have been received) after the Redemption Cut-Off Time on a Valuation Day will be processed on the next Valuation Day.

Redemption requests should be made by fax or in writing to the Registrar and Transfer Agent. The term "in writing" in relation to redemption requests shall include orders submitted by way of electronic means (excluding e-mail) recognized by the Registrar and Transfer Agent from time to time.

To the extent that the redemption amount per Shareholder exceeds 5 million of the reference currency of the Share Class, such Shareholder must provide thirty (30) calendar days' notice of redemption of the Shares receiving the Net Asset Value of the Sub-Fund on the last operating day less any related "Sub-Fund wrap-up" or Fund closing costs.

Shareholders should note that while receipt of Identification Documents is pending, redemption proceeds cannot be remitted to Shareholders.

Payment of redemption proceeds shall be made in the currency of the respective Class of Shares. Such payment shall normally be made, within twenty-two (22) Business Days following the respective Valuation Day. However, where there are difficulties in liquidating relevant assets, including loans and similar types of investments, payment will be made as soon as reasonably practicable. No interest shall be paid on delayed redemption proceeds.

The AIFM will at all times aim to meet all redemption requests received (or deemed to have been received) for each Valuation Day. In certain circumstances however the AIFM may not be able to meet all redemption requests (in full or in part), for example as a consequence of the illiquidity of many Senior Loans (please see section 5 in this Appendix for further details), the events set out in the section, "Suspension of the Determination of the Net Asset Value of Shares" in this Placement Memorandum, or the need to protect the interests of the Fund, the Sub-Fund and/or Shareholders (as the AIFM may in its discretion determine). Accordingly the AIFM reserves the right in its discretion to defer or scale down pro rata each redemption request. In any of the above listed situations, redemptions may only be suspended under exceptional circumstances and for a period not exceeding thirty-six (36) months.

If for any reason redemption payments are delayed, payments will be made to Shareholders as soon as reasonably practicable and interest shall not be paid.

If the holding of any Shareholder in any Class falls at any time below the relevant minimum holding amount for that Class as a direct result of a redemption request, the AIFM may compulsorily redeem or convert (if applicable) into another Class with a lower minimum holding amount the remaining holding of such Shareholder in that Class, subject to sections "Redemption of Shares" and "Conversion of Shares".

For the avoidance of doubt this Sub-Fund is not designed for investors with short term investment horizons.

If an application for redemption or conversion is received from a Shareholder in respect of any Valuation Day (the "**First Valuation Day**"), which either alone or when aggregated with other redemption applications, represents four percent (4%) or more of the Net Asset Value of the Sub-Fund, the AIFM reserves the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to limit the value of redemptions of such First Valuation Day so that not more than four percent (4%) or more of the Net Asset Value of the Sub-Fund be redeemed or converted for such First Valuation Day.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

Where this restriction applies, redemptions in respect of the First Valuation Day will be on a *pro rata* basis and any redemptions which for this reason do not occur as of that Valuation Day will be carried forward for redemption respect of the next Valuation Day in priority to requests for redemptions in the Sub-Fund, received by the Administrative Agent in respect of Valuation Days subsequent to the imposition of any gate. The AIFM may in its discretion determine to impose a gate at any time, whether before, during or after the Valuation with respect to which the gate is to be imposed.

### 14. Determination of the Net Asset Value per Class of Shares

The Net Asset Value per Class of Shares will be calculated/finalised on each Dealing Day in accordance with section "Determination of the Net Asset Value of Shares".

The "Valuation Point" for the assets of the Sub-Fund shall be the last close of business of the relevant market for the relevant assets on the applicable Valuation Day or the day immediately preceding the applicable Valuation Day, as the case may be.

The Net Asset Value per Class of Shares of the Sub-Fund is determined by or at the direction of the AIFM in the base currency of the Sub-Fund. The Net Asset Value per Share will be expressed and provided in the relevant currency of the Class of Shares. The Net Asset Value per Class of Shares will be available at the offices of the Fund, the AIFM and the Depositary by close of business on $5^{th}$ Business Day following the applicable Valuation Day.

### 15. Fees of the AIFM and Investment Manager

The AIFM is entitled to receive a management fee in respect of each Class of Shares as disclosed in the schedule "Classes of Shares and characteristics" in section 8 of this Appendix. This management fee is a percentage per annum of the Net Asset Value of the relevant Class of Shares, accrued daily and payable monthly in arrears, based on the last available Net Asset Value out of the assets of the relevant Sub-Fund.

The Investment Manager is paid out of the management fee received by the AIFM in accordance with the terms of the Investment Management Agreement relating to the portfolio management of the Sub-Fund.

**16. Duration of the Sub-Fund**

The Sub-Fund is established for an undetermined period.

For the avoidance of doubt, the preceding sentence shall not have the effect of obliging the Sub-Fund to scale down any redemption application exceeding the aforementioned limits, if it deems that complying with such applications will not have a detrimental effect on the Sub-Fund or any of its Shareholders.

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# APPENDIX VI

Relating to the Sub-Fund

## Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – ESG Infrastructure Debt

**1. Name of the Sub-Fund**

Swiss Life Loan Fund (LUX) S.A., SICAV-SIF – ESG Infrastructure Debt (the "**Sub-Fund**" in this Appendix VI).

**2. Investment Objectives**

The Sub-Fund intends to provide investors with the opportunity to benefit from income deriving from selected debt instruments, e.g., without limitations, bonds, loan receivables and direct loans with both fixed interest rates and floating interest rates in mostly but not only European infrastructure assets (the **"Infrastructure Debt Assets"**), held either directly or indirectly.

In this regard, the Sub-Fund intends to gain economic exposure to a limited number of selected Infrastructure Debt Assets through investment grade and non-investment grade high yield portfolio investments financing infrastructure assets of public and/or economic utility in sectors such as transportation, energy/renewable, social infrastructure, utilities and telecommunications (the "**Portfolio Investments**").

For the avoidance of doubt, the Sub-Fund will not invest into consumer credits and working capital facilities.

No Portfolio Investments shall have a maturity exceeding (i) thirty (30) years, and (ii) the duration of the Sub-Fund.

The Sub-Fund will implement a diversified portfolio, offering investors an attractive risk/return profile taking advantage of:

- Diversification across European and selected Investment Grade rated OECD geographies and investment types, providing access to a broad range of investment opportunities with the aim of capitalising on yield of assets with suitable creditworthiness;
- Access to a large and diversified deal flow (sectors, countries, asset types) due to in-depth relationships and historical deal track record with the main industrial and financial sponsors in the infrastructure industry gained by the Investment Manager; and
- A combination of "greenfield" operations (new project financing), "brownfield" operations (refinancing/acquisition financing) and secondary market transactions (purchase of existing infrastructure project finance debt), in order to take advantage of all opportunities available in the infrastructure debt market.

Portfolio Investments will generally be made either directly in operating companies or indirectly through Subsidiaries or through Luxembourg or foreign undertakings for collective investments. For the avoidance of doubt, although the Sub-Fund might use regulated holding entities to structure its investments, it does not intend to pursue a Fund-of-Funds strategy.

For the avoidance of doubt, the Sub-Fund may also hold and be invested in infrastructure equities (and other infrastructure assets) received in connection with the default of a Borrower or as the result of rights arising out of bankruptcy proceedings relating to Borrowers.

This investment strategy will qualify as "Other Strategies" – "Infrastructure Fund" within the meaning of item 10 e) of Annex IV of AIFM Regulation.

The Fund does not intend to apply for the listing of the Shares of the Sub-Fund on the Luxembourg Stock Exchange or any other stock exchange.

This Sub-Fund qualifies as an Article 8 Product.This Sub-Fund promotes factors in furtherance of Article 8 of the SFDR. Accordingly, while the Sub-Fund will promote environmental, governance and social (ESG) characteristics, it does not have as its main objective a sustainable investment.

While this Sub-Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investment" within the meaning of the SFDR or the Taxonomy Regulation.

**The information about the environmental and social characteristics of the Sub-Fund is available in the annex to be found at the end of the Placement Memorandum.**

**3. Investment Restrictions**

In compliance with the provisions of the 2007 Law, the investment strategy of the Sub-Fund will be based on the principle of risk diversification.

In addition to the general Investment restrictions set forth in section 9 of the Placement Memorandum, the Sub-Fund shall comply with the following investment limits and restrictions.

These restrictions shall only apply for the investment amount committed at the time the relevant investment is made and will not apply after that date in the event of the fluctuation in value of any investments. As a result, no change to investments will have to be made subsequently due to appreciation or depreciation in the value of the whole or any part of the Sub-Fund's assets or any variation in exchange rates, or exchange or any repayment or redemption or due to the exercise of any rights arising from any investment:

i. The Sub-Fund shall not invest more than thirty percent (30%) of its net assets or commitments as of the Last Closing date in Portfolio Investments corresponding to a single Infrastructure Debt Asset or infrastructure asset.

ii. The Sub-Fund may not invest or commit to invest in Portfolio Investments issued by the same issuer for more than thirty percent (30%) of its net assets or commitments. This restriction does not apply to investments in securities issued, or guaranteed by an OECD Member State, or its regional, or local authorities, or by the European Union, regional, or global supranational institutions and bodies.

iii. The Sub-Fund can invest in assets with public or private rating of at least "B3" by Moody's or "B-" by Standard & Poor's or equivalent at management discretion, it being understood that such ratings are to be observed exclusively at the time the relevant investment is made and that hence later downgrades will not lead to a breach of this investment restriction. Investments in government bonds with a more favorable rating are not subject to this restriction. However, the Sub-Fund may invest in non-rated assets in the sole discretion of the Investment Manager based on its internal investment procedures. An internal rating will be attributed by the Investment Manager based on S&P Project Finance Scorecard Methodology.

iv. The Sub-Fund will not invest in short sales or uncovered short sales.

v. Except for hedging purposes in order to protect its present and future assets and liabilities against the fluctuation of currencies or interest rates, the Sub-Fund may not enter into any derivative transactions. The Sub-Fund will not make use of derivative financial techniques and instruments for efficient portfolio management purposes. The Sub-Fund may engage into Repo and Reverse Repo Transactions for liquidity management purposes.

vi. The Sub-Fund will not give any loans to the public, the AIFM, delegates or related parties except for Subsidiaries.

vii. The Sub-Fund will not repackage loans into tradable securities

viii. The Sub-Fund will not distribute debt instruments originated by the Sub-Fund.

ix. The above risk diversification requirements shall apply in full as from the Last Closing date and therefore considering the commitments at such Last Closing date;

For the avoidance of doubt, the Sub-Fund will invest in line with CSSF Circular 07/309.

As of the date of the Placement Memorandum, the Sub-Fund currently does not enter into total return swaps, securities lending transactions and repurchase agreements within the meaning of Regulation (EU/2015/2365) on transparency of securities financing transactions and of reuse (the "**SFT Regulation**"). Should the Sub-Fund intend to use them, the Placement Memorandum will be updated in accordance with the SFT Regulation.

**4. Liquid assets, currency and interest rate hedging**

In addition to, and elaborating on, the investment strategy stated under "Investment Strategy of the Sub-Fund" above, the following shall apply:

i. Under normal circumstances, the Sub-Fund will aim to be fully invested. For defensive purposes or pending (re)investment in Infrastructure Debt Assets, the Sub-Fund may next to cash invest its assets in government, corporate debt securities and fixed income funds and other UCIs of UCITs, non-UCITs types and money market funds. Such investments may include, but are not limited to: commercial paper, certificates of deposit, variable or floating rate notes, banker's acceptances, time deposits and government securities;

ii. The Investment Manager may on a case-by-case basis hedge all or part of the Sub-Fund's exchange rate exposure arising from any non-Euro denominated investments and may, for such purpose, have commitments in outstanding forward currency contracts or currency futures or write call options and purchase put options on currencies for amounts not exceeding, respectively, the aggregate value of securities and other assets held by the Sub-Fund denominated in the currency to be hedged, provided however that the Sub-Fund may also enter into currency swaps, should the cost thereof be more advantageous to it. Contracts and options on currencies must either be quoted on a stock exchange or dealt in on a regulated market, except that the Sub-Fund may enter into currency forward contracts or swap arrangements with highly rated financial institutions or, where no quoted or dealt in contracts for currencies exist in respect of a given currency, with financial counterparties reputed and specialized in that kind transactions; and

iii. The Sub-Fund may enter into hedging arrangements with banks and/or other third parties in order to mitigate, *inter alia*, interest rate risks. Interest rate derivatives will only be used when needed to mitigate interest rate risks. The Sub-Fund's assets and/or cash balances and/or dedicated credit lines may be pledged as collateral for the liabilities that may arise due to hedging arrangement.

**5. Borrowings**

The Sub-Fund, for the purposes of effective cash management of its resources, may incur indebtedness for a temporary or short term period (not exceeding twelve (12) months) pending capital calls, provided that such total indebtedness shall not exceed at any time the lesser of (i) ten percent (10%) of the commitments and (ii) the aggregate amount of the unpaid portion of the commitments outstanding at the time the indebtedness is incurred. In such a case, the Sub-Fund shall only enter into transactions with banks, financial intermediaries or other entities duly authorised to grant loans or other forms of debt in the relevant jurisdiction.

**6. Leverage**

Within the meaning of the AIFM Law, leverage is any method by which the Investment Manager increases the exposure of the Fund whether through borrowing of cash or transferable securities, or leverage embedded in derivative positions or by any other means (the "**Leverage**"). Leverage limits are defined taking into account (i) characteristics and investment strategies of the Sub-Fund, (ii) sources of leverage, (iii) any other interconnection or relationship with other financial institutions that could pose a systemic risk, (iv) the need to limit exposure to a single counterparty, (v) the extent to which debt is secured by guarantees, (vi) the ratio of assets to liabilities, and (vii) the relevance (extent, nature and scope) of the AIFM's business in the market in connection to the Sub-Fund strategy.

Leverage is calculated in accordance with the AIFM Law and section 2 of the AIFM regulation, and thus in accordance with the gross method as set forth therein.

Leverage is controlled on a frequent basis and shall not exceed (as a ratio of the exposure of the Sub-Fund and its Net Asset Value) one hundred fifty percent (150%) when using the gross method and one hundred and fifteen percent (115%) when using the commitment method.

The Sub-Fund is not reusing collateral or any guarantee under the Sub-Funds' leveraging arrangements.

**7. Investment Manager**

The AIFM has delegated the portfolio management and has appointed Swiss Life Asset Managers France (the "**Investment Manager**" in this Appendix VI) to act as investment manager and make, subject to the overall control and responsibility of the AIFM, discretionary investments with respect to the investment and reinvestment of the assets of the Sub-Fund.

As part of the performance of the services delegated by the AIFM, the Investment Manager may use the support of resources of other entities of the Swiss Life Group, but shall remain in any case fully responsible for the performance of the discretionary investment decisions with respect to the investment and reinvestment of the assets of the Sub-Fund.

The Investment Manager may delegate, at its own expense and with prior written approval of the AIFM, any or all of its duties to other companies, provided that the Investment Manager shall remain responsible for the acts and omissions of any such delegate in relation to such duties delegated to it as if such acts or omissions were those of the Investment Manager.

The Investment Manager advises and represents clients worldwide in providing its investment management services. In providing services to its clients, the Investment Manager may purchase, invest in or otherwise deal with participations in Infrastructure Debt Assets on behalf of its other clients.

The AIFM has also delegated some powers to the Investment Manager relating to the subscription, redemption, conversion or transfer of Shares as further detailed in this Appendix.

### 8. Parallel Investments and Co-Investment

The AIFM and/or the Investment Manager may also organise one or more entities parallel to the Sub-Fund or establish separate accounts to accommodate the legal, tax, regulatory or internal investment policy or guideline concerns of one or more very large investors, which entities or separate accounts may invest in parallel with the Sub-Fund.

Where appropriate and feasible, the Investment Manager may, in its sole discretion, offer some or all investors in the Sub-Fund who have indicated an interest, and/or any third parties opportunities to co-invest in Portfolio Investments in which the Sub-Fund is investing. However, the Investment Manager is under no obligation to provide any such opportunities to the Sub-Fund investors, and any such co-investment opportunities may be offered to some and not all Sub-Fund investors. Save as set out below, the Investment Manager may allocate available co-investment opportunities among the Sub-Fund investors and any third parties as the Investment Manager, in its sole discretion, determines. The Investment Manager will adopt such provisions as necessary to ensure that the preferential treatment accorded to any Sub-Fund investor will not result in an overall material disadvantage to other Sub-Fund investors, in accordance with applicable laws.

The Sub-Fund may also invest in one or several Infrastructure Debt Asset(s) alongside third party investors such as debt funds (including managed accounts), institutional investors or banks as may be appropriate and relevant for any specific Infrastructure Debt Asset.

The Sub-Fund may invest in or disinvest in assets directly or indirectly transferred or contributed by qualifying shareholders, members of the board of directors, general managers of the Fund, or by companies belonging to the same group as the Sub-Fund or AIFM.

### 9. Reference Currency of the Sub-Fund and NAV Calculation

The Reference Currency for the Sub-Fund shall be the Euro (EUR).

The NAV of the Sub-Fund shall be calculated quarterly, as of the last Business Day of March, the last Business Day of June, the last Business Day of September and the last Business Day of December each year and as at further other dates as decided by the AIFM (each, a "**Valuation Day**").

### 10. Term of the Sub-Fund

The Sub-Fund is established for a limited term of twenty (20) years after the end of the Investment Period (as potentially extended as per paragraph 12). After the expiry of the above term, the duration of the Sub-Fund may be prolonged with the consent of all investors.

### 11. Investment Period

The Sub-Fund shall as a rule only make new investments during the investment period (the "**Investment Period**").

The Investment Period shall be the period during which the Sub-Fund will make new investments into Infrastructure Debt Assets, commencing as from the day of the first capital call notice being dispatched to investors (the "**First Draw Down Date**"), and ending on the earlier of:

(i) the third (3rd) anniversary of the First Closing of the Sub-Fund; or

(ii) the date when the AIFM decides that the Sub-Fund is fully invested; or

(iii) the date when the Aggregate Commitments have been fully drawn down and paid to the Sub-Fund;

provided that this three (3) year period may be extended at the discretion of the AIFM by two one (1) year periods.

Commitment Period: at the expiry of the Investment Period, any uncalled commitments will be cancelled, except to the extent necessary (i) to complete investments initiated before the end of this three (3) year period (with extensions as the case may be), (ii) to finance and/or complete investments in Infrastructure Debt Assets which the Sub-Fund has committed to make pursuant to legally binding agreements before the end of the Investment Period or to re-finance investments in any Infrastructure Debt Asset in which the Sub-Fund has already made an investment or committed to invest prior to the end of the Investment Period, or (iii) to pay ongoing fees and operating expenses of the Sub-Fund during its remaining term (the "**Commitment Period**").

### 12. Minimum Subscription for Shares

The minimum initial investment amount in each Class of Shares is disclosed in the schedule "Classes of Shares and characteristics" below in section 13.

Individual commitments ("**Commitments**") for lesser amounts may be accepted at the sole discretion of the AIFM, but only if committing to subscribe or subscribing is at least five hundred Euro (EUR 500,000).

### 13. Classes of Shares and Subscription Process for Shares

The Sub-Fund currently offers classes of Shares with the characteristics described in the schedule "Classes of Shares and characteristics" disclosed in this section.

Shares will be issued to three (3) decimal places.

Classes of Shares and characteristics:

| Class of Shares | Availability | Currency | Distribution/ Accumulation | Initial subscription price | Minimum Commitment | Management Fee |
|---|---|---|---|---|---|---|
| I Founding Shares | Available only for Swiss Life Group entities | EUR | Distribution | 10,000 EUR | 10 million EUR (or equivalent) | Up to 0.6 % per annum of the Management Fee Base |
| Institutional | Available, at the discretion of the AIFM, to Eligible Investors | EUR | Distribution | 10,000 EUR | 1 million EUR (or equivalent) | Up to 0.6 % per annum of the Management Fee Base |

Class I - Founding Shares of this Sub-Fund are available only for Swiss Life Group entities and marketing or distribution of the Class I - Founding Shares is not intended.

**First Closing**

Investors are permitted to commit to subscribe for Shares in the Sub-Fund from the launch date of the Sub-Fund until December 2020 (the "**Initial Offering Period**"). The first closing can be called anytime during the Initial Offering Period but no later than the last Business Day of the Initial Offering Period (the "**First Closing**"), subject to the AIFM's right to postpone the First Closing date for an additional one (1) month period.

Investors, the Commitments of which are accepted with respect to the First Closing (the "**Initial Investors**"), shall subscribe for the relevant number of Shares and be requested to pay up the relevant portion of their Commitments no later than five (5) Business Days following the dispatch of the drawdown notice to such Initial Investors, following which the Shares are to be issued fully paid-up corresponding to the funded commitment.

**Subsequent Closings**

After the First Closing date and until the Last Closing date, the AIFM may decide to organise one or more subsequent Closings ("**Subsequent Closings**" and "**Subsequent Closing Investors**") at which new investors are admitted or at which existing investors may increase their Commitments.

The last closing will be on the last Business Day of June 2024, unless postponed, at the sole discretion of the AIFM, for a maximum of six (6) months (the "**Last Closing**").

Dates of Subsequent Closings will be communicated to Investors.

**Capital Funding / Drawdowns**

After the First Closing or any Subsequent Closings, once individual investments need to be funded or fees and expenses have to be paid, additional drawdowns of the Commitments will be made in successive instalments as determined by the AIFM within the Commitment Period. The AIFM intends to give investors five (5) Business Days' prior notice of each drawdown.

In case of capital calls, Investors with the lowest ratio of drawn Commitments *pro rata* to their Commitments will be drawn down in priority until they reach the next higher Investors' ratio of drawn Commitments pro rata to its Commitment and this until all investors have the same ratio of drawn Commitments *pro rata* to their Commitment. Once all investors have reached the same level of *pro rata* drawn Commitments, Commitments will be drawn down at the same time and in the same proportion as each other investor.

The Shares issued in relation to each drawdown made after the First Closing shall be issued fully paid-up at a subscription price equal, at the discretion of the AIFM, either the initial subscription price or to the Net Asset Value.

If Shares are issued at a price based on the Net Asset Value per Share, they will be issued on the basis of the Net Asset Value immediately following the drawdown date.

The subscription price of the Shares issued after the First Closing must be paid within the time limit specified in the relevant drawdown notice.

**14. Issue Price**

Initial subscription price for Shares (the "**Initial Subscription Price**") shall be ten thousand Euro (EUR 10,000.-) each.

Shares subscribed in connection with a Subsequent Closing will be issued at the Initial Subscription Price.

However, if the AIFM determines that the Net Asset Value of the Sub-Fund has increased or decreased materially since the First Closing, then the AIFM may change the subscription price for the Shares offered at any Subsequent Closing to a price based on the Net Asset Value of such Shares as of the relevant Valuation Day immediately following such Subsequent Closing.

The Sub-Fund may, at its sole discretion, accept contributions in kind in accordance with the sections in the main body of the Placement Memorandum headed, "Issue of Shares".

**15. Transfers**

The provisions of the Placement Memorandum dealing with the transfer of all or any part of any Shares or undrawn Commitment apply.

**16. Redemption**

The Sub-Fund is closed-ended and Shares shall not be redeemable at the request of the Shareholders of the Sub-

Fund before the liquidation of the Sub-Fund.

## 17. Distribution Policy

Distributions will be made by means of periodic dividends to the extent feasible or the allocation of the Sub-Fund's liquidation proceeds, as the case may be. Distributions will comprise a part corresponding to the amortised principal and a part corresponding to the coupon interest. Distributions may be paid in the reference currency and at such time and place that the Board of Directors shall determine from time to time.

The Portfolio Investments can be considered as amortisable assets, meaning that the cash flows are foreseeable and that the invested amount shall be entirely reimbursed, by an amortisation of the value of the Shares, unless a credit event occurs.

As the Sub-Fund shall invest in Portfolio Investments with both fixed interest rates and floating interest rates, it is intended to make frequent distributions to investors, usually about the time payment of interest under the Portfolio Investments is received by the Sub-Fund but not more often than quarterly.

The Sub-Fund shall not make distributions, either by way of distribution of dividends or redemption of Shares, in the event that the net assets of the Fund would fall below the equivalent in the reference currency of the Fund of one million two hundred fifty thousand Euro (EUR 1,250,000.-), except if the Fund is in liquidation. For the avoidance of doubt no distributions in kind shall be made.

## 18. Reinvestments

The Sub-Fund may re-invest the proceeds deriving from the income or from the disposition of all or part of any Portfolio Investment into new investment opportunities as long as their maturity date and expected realisation falls within the limits of the Sub-Fund's term; and further provided that the Sub-Fund shall only re-invest such proceeds if the reinvestments of such proceeds are within the Investment Period. For this purpose a reinvestment is deemed to be within the Investment Period if a non-disclosure agreement or a letter of intent has been executed with the relevant counterparty(ies) before the expiry of the Investment Period.

## 19. Fees of the AIFM and Investment Manager

The AIFM is entitled to receive a management fee which shall for a relevant Class of Investor Shares be equal to the percentage provided for in the schedule "Classes of Shares and characteristics" in section 13 of this Appendix VI and which shall be applied to the management fee base, calculated as follows (the "**Management Fee Base**"):

(A) The Net Asset Value

(B) Additionally, during the drawdown period, the undrawn commitment of any Infrastructure Debt Asset of the Sub-Fund

The management fee is payable quarterly in arrears out of the assets of the Sub-Fund.

In addition, the Investment Manager will receive 50% of the Up-Front Fees (the other 50% will be paid to the Sub-Fund) and the entire Working Fees.

## 20. Amendments to this Appendix VI

The amendments to this Appendix VI shall be subject to the provisions of section 23 "Amendments to the Placement Memorandum" of this Placement Memorandum, except that Shareholders Resolutions pertaining to amendments suggested by the Board of Directors that are material to the structure or operations of this Sub-Fund and detrimental to the interests of the Shareholders of this Sub-Fund, shall be adopted by the affirmative vote of Shareholders representing at least seventy-five percent (75%), of this Sub-Fund's voting rights, computed in accordance with section 23 of this Placement Memorandum.

## 21. Risk Factors

Risk management will be done using the non-recourse or limited recourse project financing techniques applied to infrastructure financing.

*Credit risk*
Shareholders must be fully aware that such an investment may involve credit risks. Bonds or debt instruments involve an issuer-related credit risk or broader sector/political/geographic credit risks.

*Risk of default*
In parallel to the general trends prevailing on the financial markets, the particular changes in the circumstances of each issuer may have an effect on the investment. Even a careful selection of securities cannot exclude the risk of losses.

*Counterparty risk*
When contracts on OTC derivative instruments are entered into, the Sub-Fund may find itself exposed to risks arising from the creditworthiness of its counterparties and from their capacity to respect the conditions of these contracts. The Fund may for example enter into futures, option and exchange rate contracts, each of which involves a risk of the counterparty failing to respect its obligations under the terms of each contract.

*Hedging risk*
As mentioned previously, the Sub-Fund may use exchange-traded, OTC futures, options and swaps for hedging purposes of its interest rate and currency exchange exposure. These instruments may cause the Sub-Fund to have lower performance than in the absence of such instruments. It may occur that the Sub-Fund is obliged to unwind its derivatives position at a loss, whereas the underlying covered assets have not yet been disposed of, thus not generating yet the symmetrical gain.

*Recourse Limited to the Assets Allocated to the Sub-Fund*
The cash flows arising from the assets allocated to the Sub-Fund constitute the sole financial resources of the Sub-Fund for the payment of principal and interest amounts due in respect of the Shares. The Shares represent an obligation of the Sub-Fund solely.

*No assurance of successful execution of investment strategy*
The success of the Sub-Fund will depend on the Investment Manager's ability to enter, maintain and exit investments. There is no guarantee that the Investment Manager will be

able to locate and identify a sufficient number of qualifying investments to meet its investment targets for the Sub-Fund. The Sub-Fund may be unable to realise its investments at attractive prices or unable to exit at all due to market conditions and/or other factors beyond the Sub-Fund's control.

*Disposal of private investment risk*:
The Sub-Fund's Portfolio Investments will usually involve private securities. In the event of a disposal, the Fund may be required to make representations and give warranties about the business and financial affairs of the investment typical of those made in connection with the sale of a business which may require indemnities to the purchaser/s. These arrangements may result in the incurrence of contingent liabilities by the Fund that may ultimately yield funding obligations that must be satisfied by the Shareholders.

*Infrastructure related Risks*
Infrastructure investments carry specific risks. Most Infrastructure Investments have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of Investors. Political and regulatory considerations and popular sentiments could also negatively affect the investment. Infrastructure projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects. The insolvency of the lead contractor, a major subcontractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an Infrastructure Investment project. For new or development-stage infrastructure projects, it is likely to retain some risk that the project will not be completed within budget, within the agreed time frame and to the agreed specification. During the construction phase, the major risks include delays or shortages of construction equipment, material and labour, work stoppages, labour disputes, weather interferences, unforeseen engineering, environmental and geological problems and difficulties in obtaining (i) regulatory, environmental or other approvals or permits; (ii) financing; and (iii) suitable equipment supply, operating and offtake contracts, any of which could give rise to delays or costs overruns. A material delay or increase in unabsorbed cost could significantly impair the financial viability of an Infrastructure Investment project and result in a material adverse effect. Infrastructure Investments may be subject to numerous statutes, rules and regulations relating to environmental protection. Certain statutes, rules and regulations might require that investments address prior environmental contamination, including soil and groundwater contamination, which results from the spillage of fuel, hazardous materials or other pollutants.

Infrastructure Investments are often governed by highly complex legal contracts and documents. As a result, the risks of a dispute over interpretation or enforceability of the legal contracts and documentation and consequent costs and delays may be higher than for other types of investments.

Furthermore specific other operating and technical risks in the Infrastructure Investment may be present.

*Infrastructure financing*
The Sub-Fund's objective is to invest in Portfolio Investments arising from the financing of Infrastructure Debt Assets. Investments will be subject to the risks incidental to, as the case may be, the design, building, financing, maintenance and operation, of Infrastructure Assets, including risks associated with the general economic climate, geographic or market concentration, climatic risks, ability of the Investment Manager to monitor the investments on behalf of the Sub-Fund.

Most infrastructure investments have unique location and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Exiting a longer–term unlisted investment can be a difficult and protracted process. Subject to debt format, there is typically low volume in the secondary market and limited marketability for infrastructure debt investments. Political and regulatory considerations and popular sentiments could also affect the ability of the Sub-Fund to buy or sell investments on favourable terms. It is also worth noting, should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. The insolvency of the lead contractor, a major subcontractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an infrastructure investment project.

*Construction and development risks*
Where the Sub-Fund invests in new or development-stage infrastructure projects, it is likely to retain some risk that the project will not be completed within budget, the agreed time frame and to the agreed specification. During the construction phase, the major risks could include delays or shortages of construction equipment, material and labour, work stoppages, weather interferences, unforeseen engineering, environmental and geological problems and difficulties in obtaining regulatory, environmental or other approvals or permits, any of which could give rise to delays or costs overruns. A material delay or increase in unabsorbed cost could significantly impair the financial viability of an Infrastructure Investment project and result in a material adverse effect on the Fund's investment.

*Operating and technical risks*
The long-term profitability of infrastructure investments, once they are constructed, is partly dependent upon the efficient operation and maintenance of the assets and companies. Inefficient operation and maintenance may reduce the profitability of the Sub-Fund's investment, adversely affecting Sub-Fund's financial returns. While the Sub-Fund will, where possible, seek investments in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations. An operating failure may lead to loss of a license, concession or contract on which an Infrastructure Asset is dependent. Insurance coverage of such risks may be limited, subject to large deductibles or completely unavailable, and the AIFM will determine in its discretion whether to seek insurance coverage of, or seek alternative ways to manage or mitigate, such risks.

*Environmental risks*
Infrastructure Assets may be subject to numerous statutes, rules and regulations relating to environmental protection.

Certain statutes, rules and regulations might require that investments address prior environmental contamination, including soil and groundwater contamination, which results from the spillage of fuel, hazardous materials or other pollutants. While the AIFM will exercise reasonable care to acquire infrastructure investments that do not present a material risk of such liabilities, environmental liabilities may arise as a result of a large number of factors, including changes in laws or regulations and the existence of conditions that were unknown at the time of acquisition or operation.

In addition, Infrastructure Assets can have a substantial environmental impact. Ordinary operation or occurrence of an accident with respect to Infrastructure Assets could cause major environmental damage, which may result in significant financial distress to the particular asset. In addition, the costs of remediating, to the extent possible, the resulting environmental damage and repairing relations with the affected community could be significant.

*Documentation risks*
Infrastructure Assets are often governed by highly complex legal contracts and documents. As a result, the risks of a dispute over interpretation or enforceability of the legal contracts and documentation and consequent costs and delays may be higher than for other types of investments.

*Regulatory risks*
Many Infrastructure Assets will be subject to substantial governmental regulation, and governments have considerable discretion in implementing regulations that could impact the Infrastructure Asset. In addition, the operations of Infrastructure Assets may rely on government permits, licenses, concessions, leases or contracts which may have significant influence over such companies in respect of the various contractual and regulatory relationships they may have, and these government entities may exercise their authority in a manner that causes delays in the operation of Infrastructure Investments.

Where the ability to operate an Infrastructure Asset is subject to a concession or lease from the government, the concession or lease may restrict the operation of the infrastructure investment. Given the public interest aspect of the services that Infrastructure Assets provide, political oversight of the sector is likely to remain pervasive and unpredictable. Under these circumstances, if the affected Infrastructure Assets are unable to secure adequate compensation to restore the economic balance of the relevant concession agreement, the Fund's business, financial condition and results of operations could be materially and adversely affected.

*Commodity risk*
Some of the investments of the Sub-Fund may be subject to commodity price risk, including, without limitation, the price of electricity and the price of fuel. The operational cash flows of certain of the Sub-Fund's energy industry Infrastructure Assets will depend, in substantial part, upon prevailing market prices. These market prices may fluctuate materially depending upon a wide variety of factors, including, without limitation, weather conditions, foreign and domestic market supply and demand, price and availability of alternative fuels and energy sources, international political conditions and overall economic conditions.

*Unforeseen events risks*
The use of the Infrastructure Assets may be interrupted or otherwise affected by a variety of events outside the AIFM's and Investment Manager's control, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, labour disputes and other unforeseen circumstances and incidents. There can be no assurance that such investments' insurance would cover liabilities resulting from claims relating to the design, construction, maintenance or operation of infrastructure assets, lost revenues or increased expenses resulting from such damage.

*Demand and usage risk*
The Sub-Fund may invest in assets with demand, usage and throughput risk, to the extent that the assumptions regarding the demand, usage and throughput of assets prove incorrect, could adversely affect returns to the Sub-Fund.

The AIFM cannot guarantee that government bodies with which investments have concession agreements will not try to exempt certain users' categories from usage fees or negotiate lower usage fee rates. If public pressure or government action forces investments to restrict their usage fee rate increases or reduce their usage fee rates, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, the Sub-Fund's business, financial condition and results of operations could be materially and adversely affected.

*Off-taker risk*
Infrastructure Debt Asset investments bear offtake risk where debt repayment relies upon the payment of (i) a rent by a public counterparty (PPP/PFI type transactions), or (ii) off-take payments by a third-party entity (Energy transactions), or tolls payment by individual customers (motorway transactions). A bankruptcy of these off-takers could significantly impair the financial viability of an Infrastructure Investment. Analysis of the creditworthiness and financial soundness of these paying entities will be part of the due diligence process before making an investment in such type of Infrastructure Debt Asset.

*New Sub-Fund*
No assurance can be given that this Sub-Fund will achieve its investment objectives and policy and thus investing in this Sub-Fund entails a certain degree of risk.

*Co-investments with others*
The Sub-Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risk in connection with such involvement, including the possibility that the third party may encounter financial difficulties or may have business interests inconsistent with those of the Sub-Fund.

*Risks relating to liquidation of the Sub-Fund*
The Sub-Fund shall be liquidated after thirty (30) years, plus up to two (2) consecutive addition one (1) year extensions (if the AIFM has exercised its discretion to extend), from the Last Closing date. Although the Board of Directors shall aim to wind-up the Sub-Fund at the time and in such a manner as the Board of Directors deems appropriate and advisable, considering the interest of all Shareholders and aiming to maximize the return to the Shareholders, there can be no assurance that such goals will be achieved and there may be a significant loss of value resulting from the liquidation of the Sub-Fund.

*Sustainability (related) risks and its likely impact on the performance*

The Sub-Fund takes sustainability risks into account in its investment decision-making process by integrating sustainability factors in the Sub-Fund's risk control and portfolio management processes. In addition, a sustainability risk assessment is conducted during mandatory pre-trade risk assessment of real assets. Sustainability risks may have a significant impact on the different risk types displayed in this section and contribute as a factor to the materiality of these risk types.

Due to the extended investment time horizon, real assets are particularly vulnerable to long term risks as for example sustainability risks. It is in the very nature of real assets that they are usually long-term and immovable and therefore directly linked to the location. Given this long-term perspective, ESG issues are more likely to be material during the life of the asset or project. In addition, the asset itself may have an impact on its environment. Issues such as potential loss of biodiversity or soil sealing may play a role and have an impact on the reputation and attractiveness of an asset, adversely affecting its value. Especially climate change-related risks could have impacts on the value or even the usability of real assets. While transitional risks through climate policies could be managed, with additional costs, physical risks may lead to an asset be stranded.

Therefore, the main focus for analyzing impacts of sustainability risks on the Sub-Fund's returns are linked to:

- Climate change physical risks: cash flow generation may be adversely affected in case the asset would be submitted to extreme weather conditions (heat and cold waves, storms, floods, droughts and sea rise).
- Climate change transition risks: represent the risks related to the transition to a lower carbon intensive economy, in terms of necessary adaptation and mitigation measures (whether of a technological, legal or regulatory nature), and associated costs for the assets/projects.

*Possible Licensing Requirements*

Certain regulatory bodies or agencies may require the (Sub-Fund, and/or the AIFM to obtain licenses or similar authorizations to engage in various types of lending activities, including without limitation, the origination of debt. It may take a significant amount of time to obtain such licenses or authorizations. Such licenses may require the disclosure of confidential information regarding the Fund, the Sub-Fund, the Shareholders or their respective affiliates, including financial information and/or information regarding officers and directors of certain significant Shareholders, and the (Sub-) Fund may or may not be willing or able to comply with these requirements. In addition, there can be no assurance that any such licenses or authorizations would be granted or, if so, whether any such licenses or authorizations would impose restrictions on the (Sub-)Fund. Alternatively, the AIFM may be able to structure potential Portfolio Investments in a manner which would not require such licenses and authorizations, although such transactions may be structured in an inefficient or otherwise disadvantageous manner for the (Sub-)Fund and/or the borrower. The inability of the appropriate parties to obtain such licenses or authorizations, or the structuring of an investment in an inefficient or otherwise disadvantageous manner, could adversely affect the AIFM's ability to implement the (Sub-)Fund's strategy and the (Sub-)Fund's results.

*Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852*

**Product name:** Swiss Life Loan Fund (Lux) S.A., SICAV-SIF - ESG Infrastructure Debt
**Legal entity identifier:** 254900U2PR4JXBY4PA04

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

# Environmental and/or social characteristics

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

| ☐ Yes | ☒ No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ 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 |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ 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 | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

Swiss Life Loan Fund (Lux) S.A., SICAV-SIF - Swiss Life Loan Fund ESG Infrastructure Debt (hereinafter the “**Sub-Fund**”) promotes the following environmental and social characteristics:

- Contribution of its Infrastructure Debt investments to the climate change mitigation;
- To be sure that employees working conditions are monitored and related issues are properly addressed.

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

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund will use the following Key Performance Indicators to monitor the environmental and social performance of the Infrastructure Debt transactions:

- Environment dimension : CO2 emissions (in t CO2eq aligned with GHG protocol covering Scope 1 and 2 emissions)
- Social dimension : Health and Safety indicator (accident frequency)

It should be noted however that these two indicators are dependent on the availability of the data at borrowers' level. The project companies that are financed by the Sub-Fund are by definition special purpose companies set up to develop and operate a given project, and may not have the full processes and resources to provide all required data.

- Governance dimension : the Sub-Fund will ensure that appropriate governance rules are in place at the level of the infrastructure asset, if relevant. The infrastructure assets are generally financed through the set-up of special purpose vehicles, and with the implementation of a very strict contractual and legal frameworks. Accordingly, the borrowers shall make, both at the time of investment and during the whole life of the financing, a number of representations and warranties about the following topics which enables effective monitoring by the Sub-Fund:
    - Compliance with laws (including environmental law)
    - Absence of material litigations
    - Undertaking from the borrower to inform the lenders of any material litigation

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable, given the Sub-Fund will not make any sustainable investments.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable, given the Sub-Fund will not make any sustainable investments.

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

Not applicable, given the Sub-Fund will not make any sustainable investments.

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

Not applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**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.

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

✖ Yes, ______

☐ No

The negative impact which an investment decision can potentially have on sustainability factors is properly considered at the level of the AIFM throughout the investment decision-making process. Negative impacts are assessed and monitored using sustainability indicators in Table 1, 2 and 3 of Annex 1 of RTS. Procedures are in place to determine how its asset management activities are related to negative sustainability impacts and what opportunities exist to prevent, reduce or eliminate these impacts.

More precisely, at the level of the Sub-Fund, the Sub-fund intends to collect the relevant data for principal adverse impact indicators for the assets under management, subject to the availability of the data at the borrowers' level. By nature, the Sub-Fund is involved in activities that have limited adverse impacts. In that sense, not all the indicators listed in Table 1 are fully relevant for the infrastructure activity. Most relevant indicators are :

- the CO2 emissions, to ensure that borrowers have set objectives to reduce their carbon footprint; and
- exposure to fossil fuel activities.

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

## What investment strategy does this financial product follow?

The Sub-Fund intends to gain economic exposure to a limited number of selected infrastructure debt assets, through the financing of infrastructure assets of public and / or economic utility, in sectors such as transportation, energy (notably renewable energy), social infrastructure, utilities and telecommunications. The objective of the Sub-Fund is to implement a diversified portfolio offering investors an attractive risk/return profile taking advantage of:

- Diversification across European and selected Investment Grade rated OECD geographies and investment types, providing access to a broad range of investment opportunities with the aim of capitalising on yield of assets with suitable creditworthiness;

- Access to a large and diversified deal flow (sectors, countries, asset types) due to in-depth relationships and historical deal track record with the main industrial and financial sponsors in the infrastructure industry gained by the Investment Manager; and
- A combination of “greenfield” operations (new project financing), “brownfield” operations (refinancing/acquisition financing) and secondary market transactions (purchase of existing infrastructure project finance debt), in order to take advantage of all opportunities available in the infrastructure debt market.

An extra-financial objective is associated to the Sub-Fund’s main objective, with environmental and social characteristics being promoted as described above. This results in the integration of “ESG Criteria” in a systematic manner. Indeed, the management teams of the AIFM are convinced that a simultaneous analysis of the financial and extra-financial aspects of infrastructure transactions allows for a better identification of the associated risks and opportunities and a more sustainable value creation.

As part of both the screening process and the extensive investment analysis, the Investment Manager takes into account and promotes the disclosure of environmental, social and governance factors.

The Sub-Fund also takes sustainability risks into account in its investment decision-making process. To limit the sustainability risks, sustainability factors are integrated in the Sub-Fund’s risk control and portfolio management processes. This means that ESG data and information flows directly into the analysis of investments as do traditional financial and business information.

Risk management activities ensure that the strategy is in line with the environmental and social characteristics promoted by the Sub-Fund. They focus – among others – on the assessment of:

- The sustainability indicators used to measure the attainment of the environmental and/or social characteristics;
- The asset allocation of the portfolio (min. proportion of investments to attain the promoted environmental and/or social characteristics, and any taxonomy alignment or sector exposures);
- The actions taken to meet the environmental and/or social characteristics;
- The impact of PAI on sustainability factors

As part of the initial due diligence before each investment decision, the Sub-Fund conducts a detailed environmental, social, and governance assessment and a specific Climate Risk Assessment.

ESG Assessment : as for most Infrastructure Debt investments, no ESG coverage by a recognized rating agency exists at the level of the asset, the Investment Manager conducts a proprietary internal ESG-Scoring.

The ESG-Scoring is undertaken to evaluate the project’s ability to manage risks arising from ESG factors. The Investment Manager completes the ESG-Scoring checklist essentially by relying on the main conclusions of the environmental due diligence carried out by a specialized advisor at the inception of the underlying infrastructure debt, evaluating the risks associated to the asset depending on its activity sector (such as, inter alia, impact on biodiversity, pollution risks, carbon emissions reduction policy…). As part of the ESG analysis, the Investment Manager may also rely on the external sector research and ESG-comments on industry-specific developments from recognized ESG-rating agencies, MSCI, Moody's and Standard &Poor's. The final ESG-Score derives from the ESG scoring grid, and the assessment of the Investment Manager are incorporated into the investment recommendation.

Key topics of the ESG scoring grid cover *inter alia*:

**Environmental practices :**

- Environmental Policy and Procedures
- Environmental Initiatives (including Environmental Impact Assessment)
- Environmental Legislation
- CO2 emissions
- Resource Consumption
- Waste Management

**Social practices :**

- compliance with labor laws
- Employment and Work Environment
- Health & Safety
- Involvement with Stakeholders / Society

**Governance practices:**

- Board of Directors / Senior Management
- Code of conduct / anti bribery policies
- Management Systems
- Financial Reporting

**Other**

- External Assessment (if available)

For the scoring, a four-point system is used, whereby four points are achieved for "best-in-class" efforts in the category, while only one point is awarded if "no efforts" have been detected.

If a key topic is not applicable for an asset, then the criterion is scored with the value three. For example, some governance topics relating to management or board are not applicable for renewable energy facilities, which do not have a separate management or board.

The sum of the sub-scores of each individual criterion will be the final ESG-Score. Depending on its ESG-Score, the investment is labelled as green, yellow or red. The investments falling in the red category (i.e. when a minimum number of points is not reached) will not be pursued.

The internal ESG assessment will be reviewed on a yearly basis. For those projects with debt agreements that include ESG-linked margin ratchets, this will potentially give rise to adjustments in margin.

The Investment Manager expects to perform the initial, and yearly review of, the ESG assessment on 100% of the Infrastructure Loans investments, subject to data availability.

- Climate risk assessment:

It includs both Physical Risks (ie risk of physical damages to an asset / a project, due to a natural event) and Transition Risks (ie the risks related to the transition to a lower carbon intensive economy, in terms of necessary adaptation and mitigation measures, whether of a technological, legal or regulatory nature, and associated costs for the assets/projects). A materiality analysis is conducted to assess which risks are relevant for each infrastructure project, depending on its location / sector / type of assets. For each material risk identified, the likely impact is determined as low/medium/ high, while taking into account existing or potential mitigants.

As an infrastructure debt fund, the Sub-Fund is naturally targeting economic activities that are, by nature and by state policies, contributing to an environmental or social objective. The Sub-Fund is indeed financing, among others, the following types of assets:

- renewable energy projects which directly contribute to climate change mitigation by limiting the CO2 emissions of energy production as compared to conventional production means
- district heating facilities fueled by alternative sources of energy (such as waste or biomass), which also contribute to climate change mitigation by limiting the CO2 emissions and displaying better energy efficiency than individual heating facilities
- waste treatment projects, that contribute to pollution prevention by limiting the volume of waste that are put into landfills and that also contribute to a transition to a circular economy by increasing waste recycling
- fibre networks deployment in rural or semi rural areas, that contribute to fostering social integration of the concerned population.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In the implementation of the investment strategy, the Sub-fund takes into account the environmental and social characteristics, through the following elements:

- If the initial ESG Scoring mentioned above would result in an ESG score corresponding to a red classification, the investment would not be pursued;
- Similarly, the following exclusions are considered by the Sub-fund:
    - Not to grant financing for more than 20% of the fund’s size to projects that are primarily active in the oil midstream sector (i.e. in the business of transporting, storing or refining crude oil or related refined products);
    - Not to grant financing to any business that derives more than 10% of its value from oil and gas exploration and production;

- Not to grant financing to any business that derives more than 10% of its value from handling or burning coal;
- Not to grant financing to any business that derives more than 10% of its value from nuclear power production;
- Exclusion of companies or borrowers involved in the construction, development and purchase of controversial weapons (nuclear, biological or chemical weapons; anti-personnel mines; cluster ammunitions).

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate of reduction of the scope of investments.

**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 governance dimension is taken into account in the ESG assessment described above under the question “What investment strategy does the financial product follow?”. Assessment is based on information provided in a report prepared by the lenders’ legal advisor, having reviewed in details the corporate structure and arrangements in place.

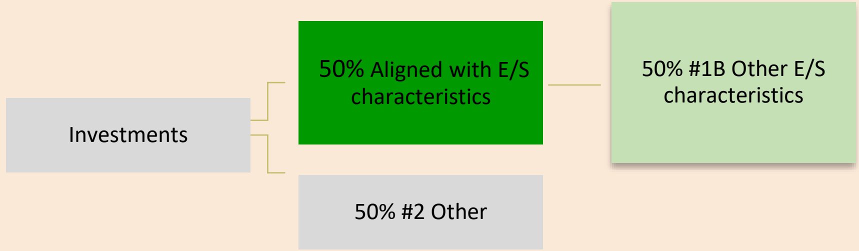
In addition, it is to be noted that the infrastructure assets are generally financed through the set-up of special purpose vehicles, and with the implementation of a very strict contractual and legal framework. Accordingly, the borrowers shall make to the benefit of the lenders, both when the financing is initially granted and during the whole life of the financing, a number of representations and warranties about the following topics, which enables effective monitoring by the Sub-Fund:

- Compliance with laws (including environmental law)
- Absence of material litigations
- Undertaking from the borrower to inform the lenders of any material litigation

**Asset allocation** describes the share 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.

## What is the asset allocation planned for this financial product?




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Sub-Fund intends to build a diversified portfolio of infrastructure debt assets, across the main sectors and sub-sectors of infrastructure market.

The Sub-Fund expects that, in the first year, 50% (based on investment volumes at investment date) of the assets under management will report on the Key Performance indicators and therefore meet the environmental and social characteristics promoted by the Sub-Fund.The Sub-Fund has the objective to improve the coverage over the next years up to 75% at the end of the investment period.

The Sub-Fund will also invest in other Infrastructure Debt assets which will not necessarily be in a position to provide the required data to ensure compliance with environmental or social characteristics, due for instance to their limited size. An ESG assessment will in any case be realized for these infrastructure assets to ensure that minimum ESG practices are in place.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

The Sub-Fund may use derivatives only for the purpose of hedging the currency risk in case investments are made in other currencies than euro. The use of such hedging instruments is not directly or indirectly linked to the attainment of the Sub-Fund's environmental or social characteristics.

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

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.

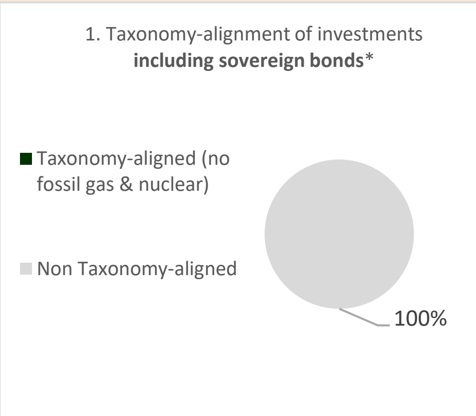
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

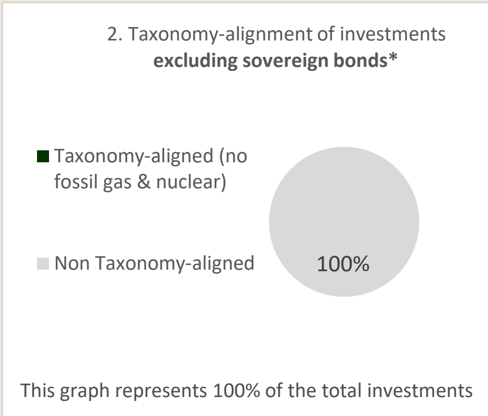
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

***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?***

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

Not applicable.

**What is the minimum share of socially sustainable investments?**

Not applicable.

**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

[1] 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 objective – 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.

See answer above in the question "what is the asset allocation"?

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

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

There is no index designated as a reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable.

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

  Not applicable.

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

  Not applicable.

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

  Not applicable.

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

**More product-specific information can be found on the website:** https://lu.swisslife-am.com/content/dam/slamlu/responsible-investement/article-10-disclosures/institutional-investors/infrastructure/esg_infrastructure_debt_sfdr_art10_v3.pdf