

## **BCV BOND FUND**

**Swiss umbrella fund classified under “Other traditional investment funds” with sub-funds**

- **BCV Global Government Bonds Hedged**
- **BCV Global Corporate Bonds ESG Hedged**

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#### **PART II FUND CONTRACT**

### **PART I PROSPECTUS**

This prospectus along with the fund contract, the basic factsheet<sup>1</sup> and the latest annual or half-yearly report (if published after the last annual report) constitute the basis for all subscriptions for units of the sub-funds.

Only the information contained in the fund contract, the prospectus and the factsheet is valid.

#### **1. Information about the umbrella fund and the sub-funds**

##### **1.1 Creation of the fund in Switzerland and legal form**

The BCV BOND FUND fund contract was set up by GERIFONDS SA, Lausanne, as the manager of the fund, with the agreement of Banque Cantonale Vaudoise, Lausanne, as the depositary bank, and submitted to the Swiss Financial Market Supervisory Authority FINMA. It was approved by the FINMA for the first time on 15 August 2023.

BCV BOND FUND is a contractual umbrella fund governed by Swiss law and classified under “Other traditional investment funds” within the meaning of the Swiss Collective Investment Schemes Act of 23 June 2006 (CISA), subdivided into the following sub-funds:

- BCV Global Government Bonds Hedged
- BCV Global Corporate Bonds ESG Hedged

The sub-funds are based on a collective investment agreement (the fund contract) under which the fund manager undertakes to attribute a stake in the sub-funds to the investors, in proportion to the units that they have acquired, and to manage the sub-funds in accordance with the provisions of the law and the fund contract, independently and in its own name. The depositary bank is party to the fund contract in accordance with the duties entrusted to it by law and the fund contract.

Investors are only entitled to the assets and income of the sub-fund in which they have a stake. Each sub-fund is only liable for its own commitments.

In accordance with the fund contract, the fund manager may create new sub-funds at any time with the approval of the supervisory authority, merge or dissolve them.

##### **1.2 Term**

The term of the fund and the sub-funds is unlimited.

##### **1.3 Useful tax information concerning the sub-funds**

The fund and sub-funds have no legal personality in Switzerland. They are not subject to either income tax or capital gains tax.

The fund manager may request full reimbursement of the withholding tax levied on Swiss income for the corresponding sub-fund.

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<sup>1</sup> All references to the factsheet should be understood as also referring to documents recognised as equivalent according to Appendix 10 of the Swiss Financial Services Ordinance (FinSO)

Income and capital gains realised abroad may be subject to withholding tax applicable in the country of investment. To the extent possible, the fund manager will request reimbursement of these taxes for the corresponding sub-fund and for investors domiciled in Switzerland, on the basis of double taxation agreements or specific agreements.

Distributions of income from the sub-funds to investors domiciled in Switzerland are subject to withholding tax of 35%. Capital gains distributed by separate coupon are not subject to withholding tax.

Investors domiciled in Switzerland can recover the withholding tax by mentioning the corresponding income in their tax return or by submitting a separate refund request.

Income distributions to investors domiciled outside Switzerland are made without deduction of the withholding tax, provided that at least 80% of the income of the corresponding sub-fund comes from foreign sources. In this case, confirmation from a bank that the units in question are held in the foreign-domiciled investor's deposits and that the income is credited to the investor's account (certificate of domicile or affidavit) is required. It cannot be guaranteed that at least 80% of a sub-fund's income will come from foreign sources.

If an investor domiciled abroad is subject to a deduction for withholding tax due to a missing certificate of domicile, the investor can claim the tax refund directly from the Federal Tax Administration in Bern, on the basis of Swiss law.

In addition, income and capital gains, whether distributed or retained, may be subject in whole or in part to a tax called the paying agent tax, depending on the person holding the units directly or indirectly.

The sub-funds have the following tax status:

#### Automatic international exchange of tax information (Automatic Exchange Of Information – AEOI)

The sub-funds are classified as a “non-reporting financial institution” for the purposes of the automatic exchange of information within the meaning of the Common Reporting Standard (CRS) for due diligence and reporting obligations regarding financial account information of the Organisation for Economic Co-operation and Development (OECD).

#### FATCA

The sub-funds are registered with the US tax authorities as a “Registered Deemed Compliant Financial Institution” within the meaning of sections 1471-1474 of the US Internal Revenue Code (Foreign Account Tax Compliance Act, including the related decrees, “FATCA”).

**The above tax explanations are provided for information purposes only and are based on the current legal situation and currently known practices. Changes in the legislation, case law and practices of tax authorities remain explicitly reserved.**

**The taxation and other tax consequences for investors when holding, buying or selling units in the sub-funds are governed by the tax laws of the investor's country of domicile.**

**Investors are responsible for determining and bearing the tax consequences of their investment in a sub-fund. For more information, investors should contact their tax advisors.**

### **1.4 Financial year**

Each sub-fund's financial year runs from 1 April to 31 March of each year.

For the two sub-funds of the umbrella fund, the first annual and half-yearly reports will be published on 31 March 2024 and 30 September 2024, respectively.

### **1.5 Auditor**

PricewaterhouseCoopers SA, Geneva, is the fund's audit company.

### **1.6 Units**

The units are not issued in the form of securities, but are recorded in the accounts.

Fractions of units are not permitted.

In accordance with the fund contract, the fund manager may, with the agreement of the depositary bank and the approval of the supervisory authority, create, merge or cancel unit classes at any time.

The sub-funds are divided into four unit classes:

- (CHF) A, open to all investors.
- (CHF) B, open to:
  - i) investors subscribing for and maintaining at least CHF5 million in the sub-fund;
  - ii) investors subscribing for units under an asset management contract concluded with a financial intermediary or an insurance company within the meaning of art. 4 para. 3 points a to c FinSA;
  - iii) investors subscribing for units under a written and paid investment advisory contract concluded with a financial intermediary or an insurance company within the meaning of art. 4 para. 3 points a to c FinSA, providing for investment proposals in units of collective investment schemes for which retrocessions are not paid;
  - iv) collective investment schemes.
- (CHF) C, open to investors that subscribe and maintain at least CHF30 million in the sub-fund.
- (CHF) Z, open to qualified investors, as defined by the CISA, who have previously entered into a specific written agreement with Banque Cantonale Vaudoise, acting as the sub-fund's asset manager, for the purpose of paying the remuneration for the asset management activity. For the unit class (CHF) Z only, the asset management activity is therefore not included in the fixed management fee provided for in § 20 point 1 and will be invoiced separately in accordance with the aforementioned specific agreement.

For admission to the (CHF) B and (CHF) C unit classes, units held in other funds of the fund manager or a subsidiary of the fund manager, and managed or advised by Banque Cantonale Vaudoise, are taken into account for the calculation of the CHF5 million and CHF30 million, respectively, if they are held:

- 1) by a single and same investor, or
- 2) by several investors closely related from a legal or economic point of view, provided that they each have legal personality and are not natural persons.

Investors requesting the allocation to or conversion into or to maintain their units in the (CHF) B, (CHF) C or (CHF) Z unit classes must provide all documents and information necessary to comply with the conditions for admission to the relevant share class.

The unit classes do not represent segmented assets. It therefore cannot be ruled out that one unit class may fulfil the commitments of another unit class, even if the costs are in principle only deducted from the unit class benefiting from a defined service.

## **1.7 Listing and trading**

The units of the sub-funds are not listed on a stock exchange or admitted to trading on regulated markets.

## **1.8 Conditions for the issue and redemption of the units of the sub-funds**

### **Issue and redemption**

The units of the sub-funds are issued and redeemed each bank business day (Monday to Friday). Units are not issued or redeemed on Swiss and Vaud public holidays (1 and 2 January, Good Friday, Easter Monday, Ascension Day, Whit Monday, 1 August, Federal Fast Monday, Christmas), 24, 26 and 31 December, or on days when the stock exchanges or markets of the main investment countries of the sub-fund in question are closed, or in exceptional circumstances within the meaning of § 17 point 4 of the fund contract.

Each investor may request, when subscribing, to contribute investments to the assets of the sub-fund instead of paying cash (contribution in kind) or, in the event of redemption, that investments be transferred to them instead of payment in cash (redemption in kind). The conditions applicable to the issue and redemption of units in kind are set out in detail in § 18 of the fund contract.

### **Subscription and redemption requests**

Requests for subscription and redemption of units of a sub-fund arriving at the depositary bank before 4:00 p.m. at the latest on a bank business day (day on which the order is placed) are calculated on the following bank business day (valuation day) on the basis of the net asset value calculated on that day. The net asset value used for the calculation is therefore unknown at the time the order is placed (forward pricing). The calculation is made on the valuation day on the basis of the closing prices of the day the order is placed.

### **Issue and redemption price**

The issue price of a unit of a sub-fund class corresponds to the net asset value of this class calculated on the valuation day, plus a contribution to ancillary costs. The issue price is rounded to two decimal places. An issue fee in favour of the sales promoter may be debited. The amounts of the issue fee and the contribution to ancillary costs are shown in point 1.15.1 below.

The redemption price of a unit of a sub-fund class corresponds to the net asset value of this class calculated on the valuation day, less a contribution to ancillary costs. The redemption price is rounded to two decimal places. No redemption fee is charged. The amount of the contribution to ancillary costs is shown in point 1.15.1 below.

### **Ancillary costs**

Ancillary costs when buying and selling investments (in particular usual brokerage fees, commissions, taxes and duties) incurred by the sub-fund in investing the amount paid or selling the portion of investments corresponding to disposed units, are charged to the sub-fund's assets, subject to the contribution, borne by the investor, provided for at the time of the issue and redemption of units of unit classes of all sub-funds, except in the event of issue and redemption of units in kind in accordance with § 18 of the fund contract, in order to cover these costs on average (see point 1.15.1).

### **Value Date**

Payment takes place each time two bank business days after the day the order is placed (value date 2 days). However, for requests to redeem units and in the event that settlement on a market is closed, payment may be postponed until the opening and execution of the settlement.

## **1.9 Use of the net income**

The net income of each unit class is distributed annually to investors, no later than four months after the end of the financial year.

Up to 30% of the net income may be carried forward as retained earnings.

Under the conditions provided for in § 23 of the fund contract, a distribution may be waived and the net income carried forward.

## **1.10 Objectives and investment policies of the sub-funds**

Detailed information about the investment policies and their limitations, the accepted investment techniques and instruments (including derivative instruments and their scope) can be found in the fund contract (Part II §§ 7-15).

The fund manager does not enter into securities lending transactions or repurchase and reverse repurchase agreements.

### **1.10.1 BCV Global Government Bonds Hedged sub-fund**

The objective of the sub-fund is to obtain long-term capital gains by implementing a bond investment policy defined by Banque Cantonale Vaudoise, characterised by the management of a portfolio of securities issued by governments, international and supranational organisations. No guarantee can be given that the sub-fund will achieve its investment objective.

- a) The sub-fund shall invest its assets in:
  - aa) bonds, convertible bonds, convertible notes, warrant bonds and notes as well as other fixed or variable-income debt securities or other debt instruments, denominated in any currency, of private or public debtors worldwide, whether investment grade or high yield;
  - ab) units of collective investment schemes which, according to their documentation, invest in investments in accordance with point aa) above;
  - ac) derivatives (including warrants) on investments or indices in accordance with point aa) above;
  - ad) units of collective investment schemes that invest in money market instruments;
  - ae) sight or term deposits with banks.
- b) At least two-thirds of the sub-fund's assets must be invested, on an aggregate basis, in bonds and other debt securities or instruments of government debtors. The investment is made either through direct investments or indirectly through units of collective investment schemes and/or financial derivative instruments.
- c) The sub-fund may invest a maximum of 10% of its assets in equity securities and uncertificated securities (shares, dividend warrants, cooperative shares, participation certificates and similar) issued by companies worldwide.
- d) In addition, the sub-fund must comply with the following investment limits, which apply to its assets:
  - convertible bonds, convertible notes and warrant bonds: maximum of 25%;
  - bonds and other debt securities or other instruments of private debtors: a maximum of 5%;
  - bonds and other debt securities or other debt instruments in the high yield category: maximum of 10%;
  - sight bank deposits: maximum of 20%;
  - units of collective investment schemes: in total and no more than 10%;
  - derivative instruments for investment purposes: maximum exposure of 100%.

The unit of account of the sub-fund is the Swiss franc (CHF). The currency risk relative to the unit of account is largely hedged for the main currencies of the investments.

#### **1.10.2 BCV Global Corporate Bonds ESG Hedged sub-fund**

The objective of the sub-fund is to obtain a long-term capital gain by implementing a bond investment policy defined by Banque Cantonale Vaudoise. The investment policy is characterised by dynamic management of the sector allocation, credit and interest rate risks, by investing in corporate bonds worldwide. The asset manager integrates environmental, social and governance (ESG) criteria into its investment selection and portfolio construction process, for the portion of the sub-fund's assets set by the investment policy. Information concerning the ESG investments can be found in point 1.10.3. No guarantee can be given that the sub-fund will achieve its investment objective.

- a) The sub-fund shall invest its assets in:
  - aa) bonds, convertible bonds, convertible notes, warrant bonds and notes as well as other fixed or variable-income debt securities or other debt instruments, denominated in any currency, of private or public debtors worldwide, whether investment grade or high yield;
  - ab) units of collective investment schemes which, according to their documentation, invest in investments in accordance with point aa) above;
  - ac) derivatives (including warrants) on investments or indices in accordance with point aa) above;
  - ad) units of collective investment schemes that invest in money market instruments;
  - ae) sight or term deposits with banks.
- b) At least two-thirds of the sub-fund's assets must be invested, on an aggregate basis, in bonds and other debt securities or instruments of private debtors. The investment is made either through direct investments or indirectly through units of collective investment schemes and/or financial derivative instruments.
- c) The sub-fund may invest a maximum of 10% of its assets in equity securities and uncertificated securities (shares, dividend warrants, cooperative shares, participation certificates and similar) issued by companies worldwide.
- d) The sub-fund shall invest at least 70% of its assets in investments that can be considered, given the information available, as meeting environmental, social and governance (ESG) criteria. In principle, these investments are made through bonds and other debt securities or other debt instruments.

A maximum of 30% of the sub-fund's assets may be invested in investments that cannot be considered as meeting ESG criteria. The following are included within this limit:

- direct investments in bonds and other debt securities or other debt instruments, or in equity securities and uncertificated securities, that are eligible according to the investment policy but do not meet the minimum ESG rating requirements set by the asset manager in the framework of its sustainability strategy. Issuers for which the asset manager has identified a potential improvement in ESG characteristics or which it uses for the purpose of sector exposure and diversification;
- direct investments in bonds and other debt securities or other debt instruments, or in equity securities and uncertificated securities, that are eligible according to the investment policy but for which no ESG rating is provided by the service provider chosen by the asset manager;
- indirect investments in bonds and other debt securities or other debt instruments, or in equity securities and uncertificated securities, via units of collective investment schemes, which the asset manager uses temporarily so that the portfolio is exposed in accordance with the investment policy. For the time being, these investment vehicles do not systematically implement a sustainable investment policy or are not systematically covered by sustainability analyses;

- investments in accordance with point ad) above, which the asset manager uses for liquidity management. For the time being, these investment vehicles do not systematically implement a sustainable investment policy or are not systematically covered by sustainability analyses;
  - investments in accordance with point ae) above, as they are not covered by sustainability analyses.
- e) In addition, the sub-fund must comply with the following investment limits, which apply to its assets:
- convertible bonds, convertible notes and warrant bonds: maximum of 25%;
  - high yield bonds and other debt securities or other debt instruments as well as units of closed-end collective investment schemes in accordance with § 8 point 1, point d, paragraph 2: maximum of 30%;
  - sight bank deposits: maximum of 20%;
  - units of collective investment schemes: in total and no more than 10%;
  - derivative instruments for investment purposes: maximum exposure of 100%.

The unit of account of the sub-fund is the Swiss franc (CHF). The currency risk relative to the unit of account is largely hedged for the main currencies of the investments.

### 1.10.3 ESG investments

This point only applies to the BCV Global Corporate Bonds ESG Hedged sub-fund.

Socially responsible investment (SRI) is part of sustainable finance. It refers to any investment approach that incorporates environmental, social and governance (ESG) factors into the selection and management of investments. The acronym “ESG” is used by the financial community to designate the environmental, social and governance criteria used for the extra-financial analysis applied in the context of SRI.

For the aforementioned sub-fund and for the portion of its assets set in its investment policy, ESG criteria are integrated into the investment selection and portfolio construction process.

The management of the sub-fund is delegated to Banque Cantonale Vaudoise (BCV) (asset manager). The latter is a signatory to the United Nations Principles for Responsible Investment (PRI), a commitment to integrating ESG criteria into its portfolio management.

The incorporation of ESG criteria into the sub-fund’s management is part of BCV’s global, responsible and sustainable approach.

In its approach, BCV aims to improve the ESG parameters of the sub-fund’s portfolio.

#### Sustainable approaches

The sustainable approaches adopted are as follows:

##### Exclusion approach

This approach consists of deliberately excluding certain companies from a portfolio due to activities or practices contrary to certain standards or values or due to certain risks (see “Recommendations on Minimum Requirements and Transparency for Sustainable Investment Products”, AMAS and SSF, December 2021).

##### Best-in-Class approach

With this approach, the company’s ESG performance is compared to that of its peers (e.g. in the same sector) based on sustainability analysis or data. Companies with a rating above a pre-defined threshold are considered eligible for investment. It is the level chosen for this threshold that defines the size of the residual investment universe (see “Recommendations on Minimum Requirements and Transparency for Sustainable Investment Products”, AMAS and SSF, December 2021).

##### Positive screening approach

With this approach, companies with good sustainability credentials are selected based on their ratings. The objective is to create a portfolio with, on average, a higher ESG score or concordance than the benchmark, or to attain a minimum average rating (see “Recommendations on Minimum Requirements and Transparency for Sustainable Investment Products”, AMAS and SSF, December 2021).

#### Investment selection

The asset manager decides on the exclusion based on the Exclusion Policy published by Banque Cantonale Vaudoise, i.e.:

- exclusion in accordance with the list published by the Swiss Association for Responsible Investments (ASIR; <https://svvk-asir.ch/en/exclusion-list/>). This list covers companies with activities related to anti-personnel mines, cluster munitions, chemical and biological weapons as well as nuclear weapons (Non-NPT) (sector exclusions) as well as companies with business conduct that does not comply with good practices (conduct exclusion). Further information is available in the documents entitled Controversial Weapons Policy and Dialogue and Exclusion Process, published by ASIR at <https://svvk-asir.ch/en/news-and-downloads/>;
- exclusion of companies active in any of the following sectors: controversial weapons, thermal coal, unconventional hydrocarbons and adult entertainment. The business sectors, thresholds and exclusion criteria (sector exclusions) are defined in the aforementioned exclusion policy published by Banque Cantonale Vaudoise and available at <https://www.bcv.ch/La-BCV/Responsabilite-d-entreprise/ISR/>;
- exclusion of companies that do not comply with the United Nations Global Compact. Exclusions related to the conduct of companies (norms-based exclusions) are defined in the aforementioned exclusion policy published by Banque Cantonale Vaudoise and available at <https://www.bcv.ch/en/home/la-bcv/corporate-social-responsibility/socially-responsible-investing.html>.

The objective of the asset manager is to build a portfolio that:

- 1) on the one hand, includes issuers with adequate ESG risk management compared to their peers (best-in-class) and,
- 2) on the other hand, has a lower carbon intensity than the following index: Bloomberg Global Aggregate Corporate Total Return Index Hedged CHF (positive screening).

To do this, the asset manager uses external data sources provided by recognised companies. It selects specialised companies with proven and recognised skills in the field. It chose MSCI ESG Research (<https://www.msci.com/our-solutions/esg-investing>). The latter analyses and evaluates issuers by considering the three extra-financial dimensions, E (environment), S (social) and G (governance). Thus, for the portion of the sub-fund's assets invested in investments that are considered, taking into account the information available, as meeting ESG criteria, the asset manager invests said assets in issuers that have a rating – MSCI ESG Rating – of at least BB, on a scale of AAA to C. To calculate the carbon intensity of the portfolio, on the one hand, and that of the Bloomberg Global Aggregate Corporate Total Return Index Hedged CHF, on the other, the asset manager uses the indicators provided by MSCI ESG Research and applies the methodology defined by it. According to this methodology, securities for which the carbon intensity is not provided by MSCI ESG Research are not taken into account by the asset manager in the calculation of carbon intensity, neither for the portfolio nor for the index.

Information on the aforementioned index is available from the index provider at <https://www.bloomberg.com/quote/LGCPTRCH:IND#xj4y7vzkq>.

Additional information may also be obtained from the asset manager.

#### **Investment decisions**

For the portion of the sub-fund's assets invested in investments considered, given the information available, as meeting ESG criteria, the portfolio may not directly hold any positions in excluded companies. The asset manager carries out regular monitoring. It will sell, as soon as possible, taking into account the interests of investors, any positions in excluded companies that might be in the portfolio. Investment via units of collective investment schemes (target funds) may be made both via target funds managed by BCV and via target funds of third-party promoters. The former shall apply, as a minimum, the same exclusion policy as that implemented by the sub-fund. The latter, on the other hand, do not necessarily apply the same exclusion policy. Nevertheless, the asset manager will endeavour, as far as possible and with the available information, to select target funds of third-party promoters that apply an exclusion policy comparable to that of the sub-fund, but cannot absolutely guarantee that it will be able to systematically select such target funds.

In addition, the asset manager makes investment and portfolio construction decisions on the basis of the risk/reward ratio, balancing compliance with ESG criteria and financial performance as best as possible.

#### **1.10.4 Investment restrictions on the sub-funds**

The fund manager may invest a maximum of 10% of the assets of a sub-fund in transferable securities and money market instruments of the same issuer, including derivatives and structured products.

The fund manager may invest up to 35% of the assets of a sub-fund in transferable securities of the same issuer when they are issued or guaranteed by an OECD State, a public body of an OECD country or a public international institution of which Switzerland or a Member State of the European Union is a member.

The fund manager may invest up to 100% of the assets of a sub-fund in transferable securities of the same issuer as long as they are issued or guaranteed by an OECD State, a public body of an OECD country or a public international institution of which Switzerland or a Member State of the European Union is a member. In this case, the sub-fund must hold securities from at least six different issues and a maximum of 30% of the sub-fund's assets may be invested in securities from the same issue. All OECD Member States are accepted as issuers or guarantors.

#### **1.10.5 Use of derivatives by the sub-funds**

The fund manager may use financial derivative instruments (hereinafter: derivatives). However, the use of derivatives may not, even in extraordinary market circumstances, result in divergence from the investment objectives or a change in the investment characteristics of the sub-funds. The Commitment II approach applies in the risk measurement.

Derivatives are used for investment strategy purposes, either to modify the exposure in terms of market, credit, duration or interest rate risks, or by replicating positions synthetically. They are also used to hedge investments and currency risk.

Both plain derivatives and a negligible portion of exotic derivatives may be used, as described in more detail in the fund contract (see § 12), provided that their underlyings are accepted as investments in the investment policy. Derivatives may be traded on an exchange or on another regulated market open to the public, or may be entered into OTC (over the counter). Derivatives are subject to counterparty risk, in addition to market risk. In other words, there is a risk that the contracting party will not honour its commitments and thus cause financial damage.

In addition to credit default swaps (CDS), all other types of credit derivatives can be purchased (e.g. total return swaps [TRS], credit spread options [CSO], credit linked notes [CLN]), which allow credit risks to be transferred to third parties, called risk buyers. Risk buyers are compensated in the form of a premium. The amount of the premium depends, among other things, on the probability of damage occurring and the maximum amount of damage; these two factors are generally difficult to assess, which increases the risk associated with credit derivatives. The sub-funds may assume both the role of risk buyer and risk seller.

The use of derivatives may leverage the assets of the sub-funds or correspond to a short sale. The total commitment in derivatives may represent up to 100% of the sub-fund's net assets and the total commitment of the sub-fund may thus amount to up to 200% of its net assets.

#### **1.10.6 Collateral strategy**

The BCV Global Government Bonds Hedged sub-fund does not enter into contracts involving OTC derivatives providing for the exchange of collateral.

When the BCV Global Government Bonds ESG Hedged sub-fund enters into contracts involving OTC derivatives, it may request collateral to reduce the counterparty risk, up to a threshold agreed on with said counterparty. The collateral must comply with the following requirements:

- Authorised collateral: sight deposits.
- Security margins: application of a 0% discount.
- Reinvestment of cash collateral: not authorised.

### 1.11 Specific risks

#### All sub-funds

Depending on the investment policy specific to each sub-fund, the following risks may apply:

- Bonds and other debt securities or other debt instruments may be valued by rating agencies which, in their rating, illustrate the quality of the debtor. Securities with a rating below BBB- according to Standard & Poor's (or an equivalent rating by another rating agency or by the asset manager) are commonly referred to as high yield.
- High yield securities have a higher risk of default or of a credit event than investment grade securities. In exchange, they generally offer higher rates of return.

#### BCV Global Corporate Bonds ESG Hedged sub-fund

##### Risk related to the sustainability strategy

The sustainability strategy implemented is dependent on external data sources provided by recognised companies. To date, the market for ESG ratings and ESG evaluation tools is unregulated and unsupervised. Differences in ESG ratings and ESG evaluations may therefore arise between different external data sources.

### 1.12 Management of liquidity risk

The fund manager ensures appropriate liquidity management. It assesses the liquidity of each sub-fund on a quarterly basis, according to various scenarios documented by it. For each sub-fund, this valuation takes into account, on the one hand, the liquidity of the portfolio's assets and, on the other hand, the right for unitholders to request redemption of their units under the terms of the fund contract. To this end, internal liquidity thresholds are defined in order to identify, monitor and manage any risks.

### 1.13 Typical investor profile

#### BCV Global Government Bonds Hedged sub-fund

The sub-fund is intended for investors with a defensive profile seeking stability of their capital. The sub-fund seeks capital preservation and regular income with a risk/reward profile similar to that of the global government bond indices. It is primarily composed of fixed-income securities issued by government debtors around the world, denominated in all currencies and hedged against foreign exchange risk. The sub-fund presents a low risk.

#### BCV Global Corporate Bonds ESG Hedged sub-fund

The sub-fund is intended for investors with a defensive profile seeking stability of their capital. The sub-fund seeks capital preservation and regular income. It is primarily composed of fixed-income securities issued by companies worldwide, denominated in all currencies and hedged against foreign exchange risk. It presents a low risk. The sub-fund integrates ESG criteria into its investment policy.

### 1.14 Net asset value

The net asset value of a unit of a sub-fund class results from the share of the market value of the assets of the sub-fund attributable to the class in question, less any liabilities of the sub-fund attributable to this class, divided by the number of units in circulation of this same class, rounded to two decimal places.

### 1.15 Fees and expenses

#### 1.15.1 Fees and expenses borne by the investor (§ 19 of the fund contract)

Issuance fee for sales promoters in Switzerland: maximum of 1.00% of the issue price.

Contribution to ancillary costs in favour of the assets of the sub-funds at the time of the issue and redemption of units of unit classes, except in the case of issue and redemption of units in kind in accordance with § 18 of the fund contract: a maximum of 0.80% of the net asset value at the time of issue of the units, and a maximum of 0.50% of the net asset value at the time of redemption of the units. The rate applied at the time of the issue and redemption of units is calculated according to market conditions and may not under any circumstances exceed the aforementioned maximum rates.

Fees related to contributions and redemptions in kind according to § 18 of the fund contract.

#### 1.15.2 Fees and expenses borne by the assets of the sub-funds (§ 20 of the fund contract)

Maximum annual fixed management fees applicable to all sub-funds:

Unit class (CHF) A: 0.85%.

Unit class (CHF) B\*: 0.65%.

Unit class (CHF) C\*: 0.50%.

Unit class (CHF) Z\*\*: 0.25%.

\* For the unit classes (CHF) B and (CHF) C, no retrocession is paid to compensate the sales promotion activities.

\*\* For the Z unit class, the asset management activity is invoiced separately, in accordance with the specific agreement provided for in § 6 point 5 of the fund contract, and no retrocession is paid to compensate sales promotion activities. The fixed

management fee charged in accordance with § 20 point 1 of the fund contract and the fee paid in accordance with the aforementioned specific contract shall not, together, exceed 0.50%.

The fixed management fee rates actually applied for each unit class are published in the annual and half-yearly reports.

Fixed management fees are used for the fund management, asset management (except for the unit class (CHF) Z) and the sales promotion activities of the sub-funds (only for the unit class (CHF) A) as well as to cover all the tasks of the depositary bank, such as the custody of the assets of the sub-funds, payment traffic, distribution of annual income and the other tasks mentioned in § 4 of the fund contract (fixed management fee including retrocessions for the sales promotion).

Retrocessions may be paid out of the fund manager's fixed-rate management fee. The fund manager and its delegates may pay retrocessions to compensate activities promoting the sale of the sub-funds' units in or from Switzerland. This compensation is notably used to pay for the following services:

- provision of a sales force and set-up of the unit subscription process;
- training of client advisors in the area of collective investment schemes;
- creating the advertising material;
- analysis of investor needs;
- performance of the due diligence duties relating to anti-money laundering and restrictions on sale (e.g. US Persons).

Retrocessions are not considered rebates, even if, in the end, they are fully or partially paid back to investors.

The beneficiaries of the retrocessions shall ensure transparent communication and inform investors spontaneously and free of charge of the amount of compensation that they may receive for sales promotion activities.

Upon request, the beneficiaries of the retrocessions shall communicate the amounts actually received for activities promoting the sale of collective investment schemes to investors.

The fund manager and its delegates do not grant any rebates, in connection with the sales promotion activities in or from Switzerland, to reduce the fees and expenses accruing to investors and charged to the sub-fund concerned.

§ 20 of the fund contract lists the fees and expenses that are not included in the fixed management fee.

The management fee for target funds in which the assets of the sub-funds are invested may amount to a maximum of 3%, taking into account any retrocessions and rebates. The maximum rate of the management fee for target funds in which the assets of the sub-funds are invested must be indicated in the annual report, taking into account any retrocessions and rebates.

### 1.15.3 Total Expense Ratio

The total ratio of expenses taken from the assets of the sub-funds over time (Total Expense Ratio, TER), as at 31 March 2024, was:

BCV Global Government Bonds Hedged - (CHF) B	0.40%
BCV Global Government Bonds Hedged - (CHF) C	0.31%
BCV Global Government Bonds Hedged - (CHF) Z	0.07%
BCV Global Corporate Bonds ESG Hedged - (CHF) B	0.50%
BCV Global Corporate Bonds ESG Hedged - (CHF) C	0.35%
BCV Global Corporate Bonds ESG Hedged - (CHF) Z	0.07%

### 1.15.4 Investments in related collective investment schemes

In the case of investments in collective investment schemes that the company to which the management has been delegated manages itself directly or indirectly, or which are managed by a company to which it is related in the framework of shared management or control, or by a significant direct or indirect holding (related target funds), no issue or redemption fee is charged for the related target funds.

### 1.15.5 Commission sharing agreements and soft commissions

The fund manager has not entered into any commission sharing agreements or soft commissions agreements.

### 1.16 Access to reports

The prospectus along with the fund contract, the basic factsheet and the annual and half-yearly reports can be obtained free of charge from the fund manager, the depositary bank and all sales promoters.

## 2. Information about the fund manager

### 2.1 General information on the fund manager

GERIFONDS SA is responsible for managing the fund. GERIFONDS SA has managed investment funds since its foundation in 1970 as a public limited company with its registered office in Lausanne.

### 2.2 Other information about the fund manager

GERIFONDS SA holds the entire share capital of GERIFONDS (Luxembourg) SA, an asset management company. At 31 December 2023, GERIFONDS SA was the fund manager for more than 90 sub-funds and the total assets managed in Switzerland and Luxembourg amounted to CHF18.5 billion. GERIFONDS SA may also act as representative of foreign collective investment schemes. Further information is available on the website [www.gerifonds.ch](http://www.gerifonds.ch).



## 2.3 Management and administration

The Board of Directors of GERIFONDS SA is composed of:

Stefan Bichsel	Chairman, Independent Director	
Oren-Olivier Puder	Vice-Chairman, Lawyer at the Geneva Bar	
Fabrice Welsch	Member, Managing Director, Asset Management & Trading	Member, Head of BCV
Simona Terranova	Member, Founding Partner of MT Finance (Suisse) SA, Geneva	

The management body of GERIFONDS SA is composed of:

Christian Carron	Chief Executive Officer
Bertrand Gillibert	Chief Financial Officer
Sandra Berchier	Chief Compliance Officer
Frédéric Nicola	Chief Fund Risk & Regulatory Officer
Antonio Scorrano	Chief Operating Officer

## 2.4 Subscribed and paid-up capital

The amount of the fund manager's share capital amounts to CHF2.9 million. The share capital is divided into registered shares and is fully paid up. Banque Cantonale Vaudoise holds the entire share capital.

## 2.5 Delegation of investment decisions (asset manager)

The investment decisions of the sub-funds are delegated to Banque Cantonale Vaudoise, Lausanne, which is subject, as a bank, to the supervision of the Swiss Financial Market Supervisory Authority (FINMA). The terms of execution of the mandate are set out in a contract entered into between GERIFONDS SA and Banque Cantonale Vaudoise.

## 2.6 Exercise of creditor and shareholder rights

The fund manager exercises the creditor and shareholder rights related to the investments of the sub-funds independently and exclusively in the interest of the investors. Upon request, investors may obtain information from the fund manager about the exercise of creditor and shareholder rights.

For day-to-day business, the fund manager is free to exercise creditor and shareholder rights itself, to delegate them to the depositary bank or to third parties, or to waive the exercise of these rights.

For all other matters likely to have a lasting impact on investors' interests, in particular in the exercise of creditor and shareholder rights belonging to the fund manager as shareholder or creditor of the depositary bank or other legal entities close to it, the fund manager itself exercises the voting rights or gives explicit instructions. It may rely on information it receives from the depositary bank, the asset manager, the company or voting advisors and other third parties, or that it learns from the media.

## 3. Information about the depositary bank

### 3.1 General information on the depositary bank

The depositary bank functions are carried out by Banque Cantonale Vaudoise (BCV). The bank was incorporated by decree of the Grand Conseil Vaudois on 19 December 1845. Its term is unlimited. BCV is a public limited company. Its registered office and its Executive Management are at Place St-François 14, Lausanne (Switzerland). It may have subsidiaries, branches, agencies and representations.

Further information can be found in the annual reports of Banque Cantonale Vaudoise available at <https://www.bcv.ch/La-BCV/Actualite-et-medias/Publications>.

### 3.2 Other information about the depositary bank

BCV has more than 170 years of experience. It has nearly 2,000 employees and more than 60 points of sale in the canton of Vaud. The purpose of BCV is to operate a universal retail bank. As such, it contributes, in the various regions of the canton of Vaud, to the development of all branches of the private economy and to the financing of the tasks of local authorities and public corporations as well as to meeting mortgage loan needs in the canton. To this end, it processes, on its own behalf or on behalf of third parties, all usual banking transactions (article 4 LBCV and article 4 of its articles of association). It operates mainly in the canton of Vaud. In the interest of the Vaud economy, it is authorised to carry out its activity elsewhere in Switzerland or abroad. As a cantonal bank, its mission is to pay special attention to the development of the cantonal economy, in accordance with the principles of sustainable development based on economic, environmental and social criteria.

BCV is registered with the US tax authorities as a foreign financial institution subject to reporting under Model 2 of the Intergovernmental Agreement (Reporting Model 2 FFI) within the meaning of sections 1471-1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related decrees, "FATCA").

The depositary bank may entrust the custody of the assets of the sub-funds to a third party or a central depositary in Switzerland or abroad, provided that appropriate custody is provided. In the case of financial instruments, the custody may only be entrusted to a third party or a central depositary subject to supervision. An exception to this rule is mandatory custody in a place where delegation to a supervised third party or central depositary is impossible, in particular due to binding legal requirements or the terms of the investment product. Custody by third parties and centralised custody imply, in particular in Switzerland, that the fund manager no longer has exclusive ownership of the relevant components of the assets of the sub-funds, but only co-ownership. In the case of custody abroad, the relevant components of the sub-funds' assets are subject to the laws and practices of the place of the foreign third-party depositary or central depositary. In the event of their bankruptcy, the rights of the fund manager over the relevant elements of the assets of the sub-funds and their guarantee may differ from Swiss law. Furthermore, if the third party or the central depositary is not subject to supervision, it does not have to meet the organisational requirements imposed on Swiss banks.

The depositary bank shall be liable for any damage caused by the delegates, unless it proves that it has taken all the care required by the circumstances in terms of choice, instructions and supervision.

#### 4. Information regarding third parties

##### 4.1 Payment service

Banque Cantonale Vaudoise, Place St-François 14, 1003 Lausanne

##### 4.2 Sales promoters

Banque Cantonale Vaudoise, Lausanne

Piguet Galland & Cie SA, Yverdon-les-Bains

Any other sales promoters are not compensated directly by the sub-funds.

#### 5. Other information

##### 5.1 Useful mentions

BCV BOND FUND	BCV Global Government Bonds Hedged	BCV Global Corporate Bonds ESG Hedged
Security codes	(CHF) A 128198213	(CHF) A 128198217
	(CHF) B 128198214	(CHF) B 128198218
	(CHF) C 128198215	(CHF) C 128198219
	(CHF) Z 128198216	(CHF) Z 128198220
Launch Dates	(CHF) A	(CHF) A
	(CHF) B 31/08/2023	(CHF) B 05/09/2023
	(CHF) C 31/08/2023	(CHF) C 05/09/2023
	(CHF) Z 06/09/2023	(CHF) Z 05/09/2023
Unit of account	CHF	

##### 5.2 Publications of the umbrella fund and the sub-funds

Additional information about the fund and sub-funds is published in the latest annual or half-yearly report. The most recent information can also be consulted on the website [www.gerifonds.ch](http://www.gerifonds.ch).

In the event of an amendment to the fund contract, a change in the fund manager or depositary bank, or when a sub-fund is dissolved, a publication will be made by the fund manager on the electronic platform [www.swissfunddata.ch](http://www.swissfunddata.ch).

Prices are published, for all unit classes, every banking business day on the electronic platform [www.swissfunddata.ch](http://www.swissfunddata.ch) and on the website [www.gerifonds.ch](http://www.gerifonds.ch).

The fund manager may also publish the net asset values of all unit classes on dates on which units are not issued or redeemed, solely for the purposes of calculating and measuring performance or the calculation of fees. Under no circumstances may these net asset values be used as a basis for unit subscription or redemption orders.

##### 5.3 Restrictions on sale

For the issue and redemption of sub-fund units abroad, the provisions in force in the country in question shall prevail.

No action has been taken to register or authorise the units of the sub-funds of this fund in jurisdictions other than Switzerland. The sale of units of these sub-funds may be restricted or prohibited by law in certain jurisdictions. Persons in possession of this prospectus must inquire about the existence of such prohibitions in their jurisdiction and comply with them. This prospectus does not constitute an offer or a call for bids to acquire units of these sub-funds in a jurisdiction in which such an offer or call for bids would be illegal.

In particular, the units of the sub-funds of this fund have not been and will not be registered under the 1933 Securities Act of the United States of America (the "Securities Act"). The offer or sale of units of the sub-funds of this fund in the United States by a sales promoter may constitute a breach of the registration obligations set out in the Securities Act.

The units of the sub-funds may not be offered, sold, transferred or delivered, directly or indirectly:

- 1) in the United States and its territories, possessions or areas subject to its jurisdiction or
- 2) to citizens of the United States (national or bi-national) regardless of their domicile or residence or
- 3) to persons having their domicile or residence in the United States or
- 4) to other natural or legal persons, trusts, legal entities or other structures for which their income and/or returns, regardless of their origin, are subject to US income tax or
- 5) to persons who have the status of "US Person", as defined in Regulation S of the Securities Act and/or the US Commodity Exchange Act of 1936 in their current version or
- 6) to trusts, legal entities or other structures created for the purpose of allowing the persons mentioned in points 1 to 5 to invest in this fund.

The fund manager, the depositary bank and their delegates reserve the right to refuse or prevent the acquisition or legal or economic holding of units by any person acting in violation of any law or regulation, whether Swiss or foreign, or when this acquisition or holding could expose the fund to adverse regulatory or tax consequences, including by refusing subscription orders or by implementing a forced redemption of units in accordance with the provisions of the fund contract.

## 6. Other information about the investments

### 6.1 Past performance

The performance has been calculated and is published in accordance with the guidelines of the Asset Management Association Switzerland, AMAS. The figures in the table below are calculated on an annual basis except for the launch year (launch dates shown in point 5.1).

Past performance is no guarantee of current or future performance. This performance data does not take account of fees and expenses incurred on the issue and redemption of units.

	2023
BCV Global Government Bonds Hedged - (CHF) B	-0.92%
BCV Global Government Bonds Hedged - (CHF) C	-0.90%
BCV Global Government Bonds Hedged - (CHF) Z	-0.84%
BCV Global Corporate Bonds ESG Hedged - (CHF) B	-1.16%
BCV Global Corporate Bonds ESG Hedged - (CHF) C	-1.12%
BCV Global Corporate Bonds ESG Hedged - (CHF) Z	-1.05%

### 7. Detailed provisions

All other information about the fund and the sub-funds, such as the valuation of the assets of the sub-funds, the mention of all fees and expenses charged to the investor and the sub-funds and the use of the net income, are specified in detail in the fund contract.

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## PART II FUND CONTRACT

### I. Basis

#### § 1 Name; company name and registered office of the fund manager, the depositary bank and the asset manager

- Under the name **BCV BOND FUND** is a contractual umbrella fund classified under "Other traditional investment funds" (hereinafter "the fund") within the meaning of art. 25 ss, 68 ss and 92 ss of the Swiss Federal Collective Investment Schemes Act of 23 June 2006 (CISA).
- The sub-funds of the fund are as follows:
  - BCV Global Government Bonds Hedged
  - BCV Global Corporate Bonds ESG Hedged
- The fund is managed by GERIFONDS SA, Lausanne.
- The depositary bank is Banque Cantonale Vaudoise, Lausanne.
- The fund manager has delegated the investment decisions of the sub-funds to Banque Cantonale Vaudoise, Lausanne (the asset manager).
- Pursuant to art. 78 para. 4 CISA, the supervisory authority has granted an exemption from the obligation to pay and redeem the units in cash to all the sub-funds (see § 5 points 2 and 6 and § 18).

### II. Rights and obligations of the contracting parties

#### § 2 Fund contract

The legal relations between the investors, on the one hand, and, on the other hand, the fund manager and the depositary bank are governed by this fund contract as well as by the legal provisions in force of the Swiss Collective Investment Schemes Act.

#### § 3 Fund manager

- The fund manager manages the sub-funds on behalf of the investors, independently and in its own name. In particular, it decides on the issue of units, investments and their valuation. It calculates the net asset values, sets the issue and redemption prices of the units and the distribution of income. It exercises all rights pertaining to the fund and the sub-funds.
- The fund manager and its delegates are subject to the duties of loyalty, diligence and reporting. They shall act independently and exclusively in the interest of investors. They shall take the organisational measures necessary for irreproachable management. They shall report on the collective investments they administer and disclose all fees and expenses charged directly or indirectly to investors as well as remuneration from third parties, in particular provisions, rebates and other financial benefits.
- The fund manager may delegate investment decisions and partial tasks to third parties, provided that this is in the interest of appropriate management. It mandates only persons who have the skills, knowledge and experience required for this activity as well as the necessary authorisations for it. It carefully instructs and monitors the third parties it uses.

Investment decisions may only be delegated to asset managers with the required authorisation.

The fund manager remains responsible for compliance with prudential obligations and ensures that investors' interests are safeguarded in the event of delegation of tasks. The fund manager is accountable for the actions of the persons to whom it has delegated tasks as well as for its own actions.

4. The fund manager submits amendments to the fund contract, with the agreement of the depositary bank, for the approval of the supervisory authority (see § 27).
5. The fund manager may create new sub-funds at any time with the approval of the supervisory authority, merge sub-funds with other sub-funds or other funds in accordance with the provisions of § 25 or dissolve the sub-funds in accordance with the provisions of § 26.
6. The fund manager is entitled to the remuneration provided for in § 20, to be released from the contractual commitments in the regular performance of the fund contract and to be reimbursed for the costs incurred in the performance of these commitments.

#### **§ 4 Depositary bank**

1. The depositary bank is responsible for the custody of the assets of the sub-funds. It issues and redeems the units of the sub-funds and manages payment traffic on behalf of the sub-funds.
2. The depositary bank and its delegates are subject to the duties of loyalty, diligence and reporting. They shall act independently and exclusively in the interest of investors. They shall take the organisational measures necessary for irreproachable management. They shall report on the collective investments in custody and disclose all fees and expenses charged directly or indirectly to investors as well as remuneration from third parties, in particular provisions, rebates and other financial benefits.
3. The depositary bank is responsible for managing the accounts and deposits of the sub-funds, but cannot dispose of the assets of the sub-funds alone.
4. The depositary bank guarantees that the equivalent value is transmitted to it within the usual deadlines in the event of transactions relating to the assets of the sub-funds. It informs the fund manager if the equivalent value is not paid within the usual deadlines and requires the counterparty to replace the asset value insofar as this is possible.
5. The depositary bank manages the registers and accounts required in order to be able to identify at all times the assets in custody of the various collective investment schemes.  
It verifies that the fund manager is the owner and manages the corresponding registers when the assets cannot be held in custody.
6. The depositary bank may entrust the custody of the assets of the sub-funds to a third party or a central depositary in Switzerland or abroad, provided that appropriate custody is provided. It shall verify that the third party or the central depositary:
  - a) has adequate organisation, financial guarantees and technical qualifications for the type and complexity of the assets entrusted to it;
  - b) is subject to regular external checks to guarantee that the financial instruments are in its possession;
  - c) holds in custody the assets received from the depositary bank in such a way that the depositary bank can identify them at any time and unequivocally as belonging to the assets of the sub-fund concerned, by means of regular concordance checks between the portfolio and the accounts;
  - d) complies with the requirements applicable to the depositary bank concerning the performance of the tasks delegated to it and the prevention of conflicts of interest.

The depositary bank shall be liable for any damage caused by the delegate, unless it can prove that it has taken all the care required by the circumstances in terms of choice, instruction and supervision. The prospectus shall contain an explanation of the risks associated with the delegation of custody to a third party or to a central depositary.

In the case of financial instruments, their custody may only be entrusted, within the meaning of the preceding paragraphs, to a third party or to a central depositary subject to supervision. An exception to this rule is mandatory custody in a place where delegation to a supervised third party or central depositary is impossible, in particular due to binding legal requirements or the terms of the investment product. The prospectus must inform the investor of custody by a third party or by a central depositary not subject to supervision.

7. The depositary bank ensures that the fund manager complies with the law and the fund contract. It verifies that the calculation of the net asset values, the issue and redemption prices of units and the decisions relating to investments comply with the law and the fund contract and that the net income is used in accordance with said fund contract. The depositary bank is not responsible for the choice of investments made by the fund manager within the limits of the investment requirements.
8. The depositary bank is entitled to the remuneration provided for in §§ 19 and 20, to be released from the contractual commitments in the regular performance of the fund contract and to be reimbursed for the costs incurred in the performance of these commitments.
9. The depositary bank is not responsible for the custody of the assets of the target funds in which the sub-funds invest, unless this task has been delegated to it.

#### **§ 5 Investors**

1. All sub-funds are open to the public but certain unit classes may be reserved for qualified investors, as defined by the CISA, and/or provide for other conditions of access (see § 6).
2. By entering into the contract and paying in cash, investors acquire, on the basis of the units acquired, a claim against the fund manager, in the form of a stake in the assets and income of the sub-fund for which they have subscribed. Their claim is based on units. The issue of units in kind is subject to the conditions of § 18.
3. Investors are entitled only to the assets and income of the sub-funds in which they have a stake. Each sub-fund is only liable for its own commitments.
4. Investors commit only to paying for the units they subscribe for. Their personal liability is excluded in respect of the commitments of the fund and the sub-funds.

5. The fund manager informs investors who so request of the basis of the calculation of the net asset values of the units. When investors wish to obtain detailed information on specific transactions from the fund manager, such as the exercise of rights arising from the status of shareholder or creditor, risk management or contributions and redemptions in kind, the fund manager shall at all times provide them with the information requested. Investors may ask the court of the registered office of the fund manager for the audit company or another expert to examine the facts that require verification and provide them with a report.
6. Investors may terminate the fund contract on each bank business day in accordance with the provisions of § 17 and the prospectus and demand redemption in cash or request redemption in kind of their units in the sub-fund. Redemption of units in kind is subject to the conditions of § 18.
7. Investors must prove, upon request, to the fund manager and/or the depositary bank and their delegates that they meet or continue to meet the legal or contractual conditions concerning their stake in a sub-fund or unit class. In addition, they must immediately inform the fund manager, the depositary bank and their delegates as soon as they no longer meet these conditions.
8. A sub-fund or unit class may be subject to a “soft closing”, whereby this sub-fund or unit class is closed to new subscriptions when the fund manager considers it necessary to protect the interests of existing unitholders. The soft closing shall apply to new subscriptions or conversions within the sub-fund or unit class concerned, but not to redemptions, transfers or conversions from this sub-fund or unit class. A sub-fund or unit class may be subject to a soft closing without investors being informed.
9. An investor’s units must be redeemed by forced redemption at the corresponding redemption price by the fund manager in collaboration with the depositary bank when:
  - a) this measure is necessary to preserve the reputation of the financial centre, in particular with regard to anti-money laundering;
  - b) the investor no longer meets the legal, regulatory, contractual or statutory conditions required to hold a stake in a sub-fund or unit class.
10. In addition, an investor’s units can be redeemed by forced redemption at the corresponding redemption price by the fund manager in collaboration with the depositary bank when:
  - a) the investor’s holding in the sub-fund could significantly affect the economic interests of other investors, in particular when the holding could result in tax losses for the fund and/or a sub-fund in Switzerland or abroad;
  - b) the investors have acquired or hold their units in breach of the provisions of a Swiss or foreign law, this fund contract or the prospectus relating to them;
  - c) the economic interests of investors are affected, particularly in cases where certain investors attempt to obtain financial advantages through systematic subscriptions immediately followed by redemptions, by exploiting market timing, i.e. the differences in time between the setting of closing prices and the valuation of the sub-fund’s assets.

## **§ 6 Units and unit classes**

1. The fund manager may, for each sub-fund, with the agreement of the depositary bank and the approval of the supervisory authority, create, cancel or merge unit classes at any time. All unit classes give the right to a stake in the total assets of the sub-fund, which are not segmented. This stake may differ due to the charges, distributions or income specific to the unit class, and the different unit classes of the same sub-fund may therefore each have a different net asset value per unit. The assets of the sub-fund as a whole are liable for the costs specific to each class of units.
2. The creation, cancellation and merger of unit classes are published in the fund’s documentation. Only mergers are considered an amendment to the fund contract within the meaning of § 27.
3. The different unit classes of the sub-funds may differ, in particular, in terms of cost structure, reference currency, currency hedging, income distribution or accumulation, minimum investment amount or investor circle.
4. The fees and expenses are charged only to the unit classes to which a specific service has been provided. Fees and expenses that cannot be charged with certainty to a given unit class are divided between all unit classes in proportion to each unit class’s share of the sub-fund’s assets.
5. The sub-funds are divided into four unit classes:
  - (CHF) A, open to all investors.
  - (CHF) B, open to:
    - i) investors subscribing for and maintaining at least CHF5 million in the sub-fund;
    - ii) investors subscribing for units under an asset management contract concluded with a financial intermediary or an insurance company within the meaning of art. 4 para. 3 points a to c FinSA;
    - iii) investors subscribing for units under a written and paid investment advisory contract concluded with a financial intermediary or an insurance company within the meaning of art. 4 para. 3 points a to c FinSA, providing for investment proposals in units of collective investment schemes for which retrocessions are not paid;
    - iv) collective investment schemes.
  - (CHF) C, open to investors that subscribe and maintain at least CHF30 million in the sub-fund.
  - (CHF) Z, open to qualified investors, as defined by the CISA, who have previously entered into a specific written agreement with Banque Cantonale Vaudoise, acting as the sub-fund’s asset manager, for the purpose of paying the remuneration for the asset management activity. For the unit class (CHF) Z only, the asset management activity is therefore not included in the fixed management fee provided for in § 20 point 1 and will be invoiced separately in accordance with the aforementioned specific agreement.
6. For admission to the (CHF) B and (CHF) C unit classes, units held in other funds of the fund manager or a subsidiary of the fund manager, and managed or advised by Banque Cantonale Vaudoise, are taken into account for the calculation of the CHF5 million and CHF30 million, respectively, if they are held:

- 1) by a single and same investor, or
  - 2) by several investors closely related from a legal or economic point of view, provided that they each have legal personality and are not natural persons.
7. Investors requesting the allocation to or conversion into or to maintain their units in the (CHF) B, (CHF) C or (CHF) Z unit classes must provide all documents and information necessary to comply with the conditions for admission to the relevant share class.
  8. The units are not issued in the form of securities, but are recorded in the accounts. The investor is not entitled to require the delivery of a registered or bearer certificate. The investor's right to request a certificate within the meaning of article 16 of the Swiss Federal Intermediated Securities Act (LTI) is reserved.
  9. The fund manager and the depositary bank must instruct investors no longer meeting the conditions for holding a unit class to return their units within 30 calendar days within the meaning of § 17, to transfer them to a person who meets the conditions mentioned or to exchange them for units of another unit class of the sub-fund for which they meet the conditions. If the investor does not comply with this request, the fund manager must, in collaboration with the depositary bank, carry out a forced exchange with another class of units of the sub-fund or, if this proves to be impracticable, a forced redemption within the meaning of § 5 point 9 of the units concerned.

### **III. Investment policy guidelines**

#### **A. Investment principles**

##### **§ 7 Compliance with the investment guidelines**

1. When choosing investments, the fund manager observes the principle of the weighted distribution of risks in accordance with the limits expressed as a percentage below. These apply to the assets of each sub-fund estimated at market value and must be complied with at all times. The sub-funds must comply with the investment limits six months after the end of the subscription period (launch).
2. When limits are exceeded as a result of market fluctuations, the volume of investments must be reduced to the accepted rate within a reasonable period of time taking into account the interests of the investors. When limits relating to derivative instruments are affected by a change in the delta according to § 12 below, the authorised status must be restored within three bank working days at the latest, safeguarding the interests of the investors.

##### **§ 8 Investment policies of the sub-funds**

1. The fund manager may, within the framework of the investment policy specific to each sub-fund, invest the assets of each sub-fund in the investments listed below. The risks associated with these investments must be mentioned in the prospectus.

- a) Transferable securities, either securities issued in large numbers, unincorporated rights having the same function (uncertificated securities) that are traded on a stock exchange or other regulated market open to the public, and which are embedded with a right to equity or debt, or the right to acquire such securities by subscription or exchange, such as warrants.

Investments in newly issued securities are only authorised if their admission to a stock exchange or other regulated market open to the public is provided for in the terms of issue. If this admission has not been obtained one year after the acquisition of the securities, they must be sold within one month or be included in the limitation rule according to point 1 point f.

- b) Derivative instruments when (i) their underlyings are represented by transferable securities according to point a, derivative instruments according to point b, units of collective investment schemes according to point d, financial indices, interest rates, credit or currencies, and where (ii) their underlyings are accepted as an investment in accordance with the fund contract. Derivatives are traded on a stock exchange or on another regulated market open to the public, or OTC.

Investments in OTC derivatives (OTC transactions) are only permitted (i) if the counterparty is a financial intermediary specialising in this type of transaction and subject to supervision, and (ii) if the OTC derivatives are traded on a daily basis or it is possible to request redemption from the issuer at any time. In addition, they must be able to be valued in a reliable and comprehensive manner. Derivatives may be used in accordance with § 12.

- c) Structured products when (i) their underlyings are represented by transferable securities according to point a, structured products in according to point b, units of collective investment schemes according to point d, financial indices, interest rates, credit or currencies, and where (ii) their underlyings are accepted as an investment in accordance with the fund contract. Structured products are traded on a stock exchange or on another regulated market open to the public, or OTC.

Investments in OTC structured products are only permitted (i) if the counterparty is a financial intermediary specialised in this type of transaction and subject to supervision, and (ii) if the OTC structured products are traded on a daily basis or it is possible to request redemption from the issuer at any time. In addition, they must be able to be valued in a reliable and comprehensive manner.

- d) Units of collective investment schemes when (a) their documentation limits investments in other target funds to a total of 10%; (b) there are provisions – as regards their purpose, organisation, investment policy, investor protection, risk distribution, separate custody of the fund's assets, borrowings, the granting of loans, the short sale of securities and money market instruments, the issue and redemption of units as well as the content of the annual and half-yearly reports – comparable to those of a securities fund or other traditional investment fund, (c) these target funds are authorised as a collective investment scheme in the country in which they have their registered office and are subject to comparable supervision for ensuring investor protection to that exercised in Switzerland and international administrative assistance is guaranteed.

Within the limit authorised for units of collective investment schemes by the investment policy of each sub-fund, the fund manager may also invest the assets of each sub-fund in units of closed-end collective investment schemes,

provided that these are traded on a stock exchange or other regulated market open to the public and that they form part of the sub-fund's investment universe.

- e) Sight or term bank deposits with a term of up to twelve months with banks that have their registered office in Switzerland or in a Member State of the European Union, or in another State if the bank is subject in its country of origin to supervision comparable to that exercised in Switzerland.
- f) Investments other than those mentioned in points a to e, up to a total maximum of 10% of the assets of each sub-fund. The following are not authorised: (i) direct investments in real estate securities, investments in precious metals, precious metals certificates, commodities and commodity linked securities, as well as (ii) short sales of investments of all types.

## 2. **BCV Global Government Bonds Hedged sub-fund**

- a) The fund manager invests the assets of the sub-fund in:
  - aa) bonds, convertible bonds, convertible notes, warrant bonds and notes as well as other fixed or variable-income debt securities or other debt instruments, denominated in any currency, of private or public debtors worldwide, whether investment grade or high yield;
  - ab) units of collective investment schemes which, according to their documentation, invest in investments in accordance with point aa) above;
  - ac) derivatives (including warrants) on investments or indices in accordance with point aa) above;
  - ad) units of collective investment schemes that invest in money market instruments;
  - ae) sight or term deposits with banks.
- b) The fund manager shall ensure that at least two-thirds of the sub-fund's assets are invested, on an aggregate basis, in bonds and other debt securities or other instruments of government debtors. The investment is made either through direct investments or indirectly through units of collective investment schemes and/or financial derivative instruments.
- c) The fund manager may invest a maximum of 10% of the sub-fund's assets in equity securities and uncertificated securities (shares, dividend warrants, cooperative shares, participation certificates and similar) issued by companies worldwide.
- d) In addition, the fund manager must comply with the following investment limits, which apply to the assets of the sub-fund:
  - convertible bonds, convertible notes and warrant bonds: maximum of 25%;
  - bonds and other debt securities or other instruments of private debtors: a maximum of 5%;
  - bonds and other debt securities or other debt instruments in the high yield category: maximum of 10%;
  - sight bank deposits: maximum of 20%;
  - units of collective investment schemes: in total and no more than 10%;
  - derivative instruments for investment purposes: maximum exposure of 100%.

The unit of account of the sub-fund is the Swiss franc (CHF). The currency risk relative to the unit of account is largely hedged for the main currencies of the investments.

## 3. **BCV Global Corporate Bonds ESG Hedged sub-fund**

The objective of the sub-fund is to obtain a long-term capital gain. Environmental, social and governance (ESG) criteria are integrated into the investment selection and portfolio construction process, for the portion of the sub-fund's assets set by the investment policy. The approach aims to improve the ESG parameters of the sub-fund's portfolio. The sustainable approaches adopted are exclusion, best-in-class (MSCI ESG Rating of at least BB) and positive screening. For the portion of the sub-fund's assets invested in investments considered, given the information available, as meeting ESG criteria, the portfolio may not directly hold any positions in excluded companies. Regular monitoring is done. The target funds managed by Banque Cantonale Vaudoise apply, as a minimum, the same exclusion policy. However, third-party target funds do not necessarily apply the same exclusion policy. In addition, investment and portfolio construction decisions are made on the basis of the risk/reward ratio, balancing compliance with ESG criteria and financial performance as best as possible. For the rest, the prospectus contains information concerning the ESG investments.

- a) The fund manager invests the assets of the sub-fund in:
  - aa) bonds, convertible bonds, convertible notes, warrant bonds and notes as well as other fixed or variable-income debt securities or other debt instruments, denominated in any currency, of private or public debtors worldwide, whether investment grade or high yield;
  - ab) units of collective investment schemes which, according to their documentation, invest in investments in accordance with point aa) above;
  - ac) derivatives (including warrants) on investments or indices in accordance with point aa) above;
  - ad) units of collective investment schemes that invest in money market instruments;
  - ae) sight or term deposits with banks.
- b) The fund manager shall ensure that at least two-thirds of the sub-fund's assets are invested, on an aggregate basis, in bonds and other debt securities or other instruments of private debtors. The investment is made either through direct investments or indirectly through units of collective investment schemes and/or financial derivative instruments.
- c) The fund manager may invest a maximum of 10% of the sub-fund's assets in equity securities and uncertificated securities (shares, dividend warrants, cooperative shares, participation certificates and similar) issued by companies worldwide.

d) The fund manager shall invest at least 70% of its assets in investments that can be considered, given the information available, as meeting environmental, social and governance (ESG) criteria. In principle, these investments are made through bonds and other debt securities or other debt instruments.

A maximum of 30% of the sub-fund's assets may be invested in investments that cannot be considered as meeting ESG criteria. The following are included within this limit:

- direct investments in bonds and other debt securities or other debt instruments, or in equity securities and uncertificated securities, that are eligible according to the investment policy but do not meet the minimum ESG rating requirements set by the asset manager in the framework of its sustainability strategy. Issuers for which the asset manager has identified a potential improvement in ESG characteristics or which it uses for the purpose of sector exposure and diversification;
- direct investments in bonds and other debt securities or other debt instruments, or in equity securities and uncertificated securities, that are eligible according to the investment policy for which no ESG rating is provided by the service provider chosen by the asset manager;
- indirect investments in bonds and other debt securities or other debt instruments, or in equity securities and uncertificated securities, via units of collective investment schemes, which the asset manager uses temporarily so that the portfolio is exposed in accordance with the investment policy. For the time being, these investment vehicles do not systematically implement a sustainable investment policy or are not systematically covered by sustainability analyses;
- investments in accordance with point ad) above, which the asset manager uses for liquidity management. For the time being, these investment vehicles do not systematically implement a sustainable investment policy or are not systematically covered by sustainability analyses;
- investments in accordance with point ae) above, as they are not covered by sustainability analyses.

e) In addition, the fund manager must comply with the following investment limits, which apply to the assets of the sub-fund:

- convertible bonds, convertible notes and warrant bonds: maximum of 25%;
- high yield bonds and other debt securities or other debt instruments as well as units of closed-end collective investment schemes in accordance with § 8 point 1, point d, paragraph 2: maximum of 30%;
- sight bank deposits: maximum of 20%;
- units of collective investment schemes: in total and no more than 10%;
- derivative instruments for investment purposes: maximum exposure of 100%.

The unit of account of the sub-fund is the Swiss franc (CHF). The currency risk relative to the unit of account is largely hedged for the main currencies of the investments.

4. The fund manager ensures appropriate liquidity management for each sub-fund. Details are published in the prospectus.

5. Subject to § 20 points 5 and 6, the company to which the management has been delegated may acquire units of collective investment schemes managed directly or indirectly by itself, or by a company to which it is related through shared management or control, or by a significant direct or indirect holding (related target funds).

## **§ 9 Cash**

The fund manager may, for each sub-fund, hold adequate cash in the unit of account of the sub-fund concerned and in all currencies in which investments are permitted. Cash is defined as sight or term deposits with banks with a term of up to twelve months.

## **B. Investment techniques and instruments**

### **§ 10 Securities Lending**

The fund manager does not enter into securities lending transactions.

### **§ 11 Repo and reverse repo transactions**

The fund manager does not enter into repurchase and reverse repurchase agreements.

### **§ 12 Derivatives (Commitment II approach)**

1. The fund manager may use financial derivative instruments (hereinafter: derivatives). It shall ensure that the use of derivatives does not result, by its economic effect, including in extraordinary market circumstances, in a divergence from the investment objectives, as set out in the fund contract, the prospectus and the factsheet, or to a change in the investment characteristics of the sub-funds. In addition, the underlyings of the derivatives must be accepted as investments for the corresponding sub-funds in accordance with the fund contract.

Derivatives are used for investment strategy purposes, either to modify the exposure in terms of market, credit, duration or interest rate risks, or by replicating positions synthetically. They are also used to hedge investments and currency risk.

2. The Commitment II approach applies in the risk measurement. The total commitment in derivatives must not exceed 100% of the sub-fund's net assets and the total commitment of the sub-fund may not exceed 200% of its net assets. Taking into account the possibility of temporary credit of up to a maximum of 10% of the net assets of the sub-fund in accordance with § 13 point 2, the total commitment of the sub-fund may go up to 210% of its net assets. The total commitment is calculated in accordance with art. 35 CISO-FINMA.

The provisions of this paragraph apply to each sub-fund.

3. The fund manager may notably use plain derivatives, such as call and put options, for which the value at maturity is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price and which is equal to zero when the difference is of the opposite sign, credit default swaps (CDS), swaps, for which the payments are linearly and non-path dependent on the value of the underlying or of an absolute amount, and futures or forwards, for which the value is linearly dependent on the value of the underlying. In addition, it may also use



combinations of plain derivatives as well as derivatives with an economic effect that is not comparable to a plain derivative or combination of plain derivatives (exotic derivatives).

4.
  - a) Opposite positions in derivatives on the same underlying as well as opposite positions in derivatives and investments in the same underlying may be offset, notwithstanding the netting of derivatives, if the derivative transaction was entered into solely for hedging purposes to eliminate the risks associated with the derivatives or the investments acquired, if significant risks are not neglected, and if the amount attributable to the derivatives is calculated in accordance with art. 35 CISO-FINMA.
  - b) When, in hedging transactions, the derivatives do not relate to the same underlying as the asset to be hedged, the following conditions must be met, in addition to the requirement mentioned in point a, for netting: derivatives transactions must not be based on an investment strategy used to realise a gain, the derivative must result in a verifiable reduction in risk, the risks of the derivative must be offset, the derivatives, underlyings or assets to be offset must relate to the same category of financial instruments and the hedging strategy must be efficient even under exceptional market conditions.
  - c) In the event of a predominant use of interest rate derivatives, the amount attributable to the total commitment resulting from the derivatives may be calculated using recognised international duration netting rules provided that said rules lead to a correct calculation of the sub-fund's risk profile, that the main risks are taken into account, that the application of these rules does not result in unjustified leverage, that no interest rate arbitrage strategy is pursued and that the sub-fund's leverage is not increased by the application of these rules or by investments in short-term positions.
  - d) Derivatives that are used solely for the purpose of hedging currency risks and which do not involve leverage or additional market risks may be offset without having to comply with the requirements mentioned in point b when calculating the total commitment resulting from the derivatives.
  - e) Payment commitments arising from derivatives must be covered at all times by means similar to cash, debt securities, uncertificated securities or shares traded on a stock exchange or other regulated market open to the public, in accordance with the legislation for collective investment schemes.
  - f) When the fund manager enters into a commitment to physical delivery of an underlying by means of a derivative, the derivative must be hedged by the corresponding underlyings, or by other investments if the investments and the underlyings are highly liquid and can be bought or sold at any time if delivery is required. The fund manager must be able to dispose of these underlyings or investments at all times and without restriction.
5. The fund manager may use standardised or non-standardised derivatives. It may enter into derivatives transactions that are traded on an exchange or on another regulated market open to the public, or OTC (over-the-counter).
6.
  - a) The fund manager may only enter into OTC transactions with financial intermediaries that are subject to supervision and that are specialised in this type of transaction and guarantee the irrevocable execution of transactions. If the counterparty is not the depositary bank, the counterparty or its guarantor must have a high level of solvency.
  - b) An OTC derivative must be reliably and understandably priced on a daily basis and must be able to be sold, liquidated or unwound by an inverse transaction at any time and at market value.
  - c) If no market price is available for an OTC derivative, its price, determined using an appropriate valuation model recognised by practice, on the basis of the market value of the underlying assets of the derivative, must be understandable at all times. Before entering into a contract on the derivative, concrete offers must in principle be obtained from at least two counterparties. In principle, the contract must be concluded with the counterparty that submitted the most advantageous bid from the point of view of price. Derogations from this principle are permitted for reasons of risk distribution or if other aspects of the contract, such as the counterparty's solvency or offer of services, show that another offer is overall more advantageous to investors. Moreover, it may exceptionally be waived to obtain bids from at least two potential counterparties if this is in the best interests of investors. The reasons for this waiver as well as the conclusion of the contract and the determination of the price must be clearly documented.
  - d) The fund manager and its delegates may only accept collateral in an OTC transaction that meets the requirements of art. 51 CISO-FINMA. The issuer of the collateral must have high solvency and the collateral may not be issued by the counterparty or by a company that is part of the counterparty's group or dependent on this group. Collateral must be highly liquid, traded at a transparent price on a stock exchange or other regulated market open to the public, and be valued at least on each trading day. The fund manager and its delegates must meet the obligations and requirements of art. 52 CISO-FINMA for the management of the collateral. In particular, they are required to diversify collateral appropriately at the country, market and issuer level; the diversification is considered appropriate when collateral held by a single issuer does not exceed 20% of the net asset value. Exceptions relating to investments issued or guaranteed by institutions governed by public law within the meaning of art. 83 CISO remain reserved. Furthermore, the fund manager and its delegates must be able to obtain, at any time, without the intervention or agreement of the counterparty, the power and ability to dispose of the collateral received in the event of default by the counterparty. The collateral received must be kept with the depositary bank. Collateral received may be held by a supervised third-party depositary at the request of the fund manager, if ownership of the collateral is not transferred and if the third-party depositary is independent from the counterparty.
7. When complying with legal and contractual investment restrictions (maximum and minimum limits), derivatives must be taken into account in accordance with the legislation on collective investment schemes.
8. The prospectus contains other information on:
  - the importance of derivatives in the investment strategy;
  - the effect of the use of derivatives on the risk profile of the sub-funds;
  - the counterparty risks of derivatives;
  - the increased volatility resulting from the use of derivatives and the increased total commitment (leverage);

- credit derivatives;
- the collateral strategy.

### **§ 13 Borrowings and loans**

1. The fund manager is not authorised to grant loans on behalf of the sub-funds.
2. For each sub-fund, the fund manager may temporarily borrow up to 10% of its net assets.

### **§ 14 Pledging of assets of the sub-funds**

1. The fund manager may not encumber, at the expense of each sub-fund, more than 25% of its net assets by pledge or guarantee.
2. It is not permitted to encumber the assets of the sub-funds by granting sureties.
3. A credit derivative increasing the commitment does not constitute a surety within the meaning of this paragraph.

### **C. Investment restrictions**

#### **§ 15 Distribution of risks**

1. The following provisions for risk distribution must be included:
  - a) investments in accordance with § 8, with the exception of index-based derivatives, provided that the index is sufficiently diversified, representative of the market to which it refers and published in an adequate manner;
  - b) cash in accordance with § 9;
  - c) receivables from counterparties resulting from OTC transactions.

The risk distribution requirements apply to each sub-fund in particular.

2. Companies that form a group on the basis of international accounting requirements must be considered a single issuer.
3. The fund manager may invest a maximum of 10% of the assets of a sub-fund in transferable securities and money market instruments of the same issuer, including derivatives and structured products. The total value of the transferable securities of issuers with which more than 5% of the assets of a sub-fund have been invested may not exceed 40% of the assets of this sub-fund. The provisions of points 4 and 5 remain reserved.
4. The fund manager may invest a maximum of 20% of a sub-fund's assets in sight or term deposits with the same bank. Both the cash according to § 9 and investments in bank assets according to § 8 will be taken into consideration.
5. The fund manager may invest a maximum of 5% of a sub-fund's assets in OTC transactions with the same counterparty. If the counterparty is a bank having its registered office in Switzerland or in a Member State of the European Union, or in another State in which it is subject to supervision comparable to Swiss supervision, this limit is increased to 10% of the sub-fund's assets.

If receivables resulting from OTC transactions are secured by collateral in the form of liquid assets in accordance with art. 50 to 55 of CISO-FINMA, these receivables shall not be taken into account in the calculation of counterparty risk.

6. The investments, deposits and receivables with the same issuer or debtor referred to in paragraphs 3 to 5 above must not exceed 20% of the assets of a sub-fund, subject to higher limits set out in paragraphs 12 and 13 below.
7. Investments in the same group of companies according to point 3 above must not exceed 20% of the assets of a sub-fund, excepting the higher limits in accordance with points 12 and 13 below.
8. The fund manager may invest a maximum of 20% of a sub-fund's assets in units of the same target fund.
9. The fund manager may not acquire equity interests representing more than 10% of total voting rights or enabling it to exercise significant influence over the management of an issuer.
10. The fund manager may, for the assets of a sub-fund, acquire a maximum of 10% of the non-voting equity securities or bonds of the same issuer, as well as a maximum of 25% of the units of the same collective investment scheme. These limitations shall not apply if, at the time of acquisition, the gross amount of the bonds or units of collective investment schemes cannot be calculated.
11. The limitations provided for in paragraphs 9 and 10 above do not apply to transferable securities issued or guaranteed by an OECD State, a public body of an OECD country or a public international institution of which Switzerland or a Member State of the European Union is a member.
12. The 10% limit mentioned in point 3 is raised to 35% when the transferable securities are issued or guaranteed by an OECD State, a public body of an OECD country or a public international institution of which Switzerland or a Member State of the European Union is a member. The aforementioned transferable securities are not included in the application of the 40% limit according to point 3. However, the individual limits in figures 3 and 5 cannot be combined with the aforementioned limit of 35%.
13. The 10% limit mentioned in point 3 is raised to 100% when the transferable securities are issued or guaranteed by an OECD State, a public body of an OECD country or a public international institution of which Switzerland or a Member State of the European Union is a member. In this case, the sub-fund must hold securities from at least six different issues and a maximum of 30% of the sub-fund's assets may be invested in securities from the same issue. The aforementioned transferable securities are not included in the application of the 40% limit according to point 3. The authorised issuers or guarantors are all OECD Member States.

### **IV. Calculation of the net asset values and issue and redemption of units**

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

1. The net asset value of each sub-fund and the share of the different unit classes are determined at market value, in the unit of account of the sub-fund concerned, at the end of the accounting year and on each day on which units are issued or redeemed. On days on which the stock exchanges or markets in the main investment countries of the sub-fund in question are closed (e.g. bank and public holidays), net asset values are not calculated.

The net asset value of each sub-fund and the share of the different unit classes may also be determined on dates on which units are not issued or redeemed, solely for the purposes of calculating and measuring performance or the calculation of fees. Under no circumstances may they be used as a basis for unit subscription or redemption orders.

2. Investments traded on a stock exchange or other regulated market open to the public must be valued at the current prices paid on the main market. Other investments or investments for which no current price is available should be valued at the price that could be obtained if they were sold with due care at the time of valuation. In order to determine the market value, the fund manager uses appropriate valuation models and principles that are recognised in practice.
3. Collective investment schemes are valued at their redemption price or net asset value. If they are regularly traded on a stock exchange or on another regulated market open to the public, the fund manager may value them according to point 2. If a net asset value is not available or only available on an estimated basis, the fund manager values it at the probable price that could be realised with due care at the time of valuation using appropriate valuation models and principles recognised in practice (fair value). It may be based on data provided by the depositaries, administrators or managers of the target funds.
4. Bank deposits are valued at the amount of the receivable plus accrued interest. In the event of significant changes in market conditions or solvency, the basis for the valuation of term bank assets is adapted to the new circumstances.
5. The net asset value of a unit of a sub-fund class results from the share of the market value of the assets of the sub-fund attributable to the class in question, less any liabilities of the sub-fund attributable to this class, divided by the number of units in circulation of this same class. The net asset value is rounded to two decimal places.
6. The shares of the market value of the net assets of the sub-fund (assets of the sub-fund less commitments) to be allocated to the different unit classes are defined the first time at the time of the first issue of several unit classes (if this takes place simultaneously) or at the time of the first issue of a new class of units, on the basis of the amounts corresponding to the sub-fund concerned for each class of units. The share is recalculated when the following events occur:
  - a) on the issue and redemption of units;
  - b) at the reference date of distributions, to the extent that (i) such distributions concern only certain unit classes (distribution classes), or (ii) the distributions to the different unit classes differ as a percentage of their respective net asset value, or (iii) different fees or commissions are charged on the distributions of the different classes of units as a percentage of each distribution;
  - c) when calculating the net asset value, in connection with the allocation of commitments (including fees and expenses owed or due) to the different unit classes, insofar as the commitments of the different unit classes, expressed as a percentage of their respective net asset value, are different, in particular when (i) different fee rates are applied to the different unit classes or when (ii) expenses specific to each class are charged;
  - d) when calculating the net asset value, in connection with the allocation of income or capital gains to the various unit classes, insofar as the income or capital gains result from transactions that were carried out only in the interest of one unit class or in the interest of several unit classes, but not in proportion to their share of the net assets of the sub-fund.

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

1. Subscription and redemption requests for units are received on the day the order is placed up to a time specified in the prospectus. The determining price for the issue and redemption of units is determined at the earliest on the bank business day following the day on which the order is placed (valuation day; forward pricing). The prospectus regulates the details.
2. The issue and redemption prices of the units are determined according to the net asset value per unit in accordance with § 16, on the valuation day, based on the closing prices of the day mentioned in the prospectus. The issue and redemption prices of units are rounded to two decimal places.

When units are issued, an issue fee in accordance with § 19 point 1 may be added to the issue price. No redemption fee is charged.

Ancillary costs when buying and selling investments (in particular usual brokerage fees, commissions, taxes and duties) incurred by the sub-fund in investing the amount paid or selling the portion of investments corresponding to disposed units, are charged to the sub-fund's assets, subject to the contribution, borne by the investor, as described in the following paragraph, except in the event of the issue and redemption of units in kind according to § 18.

In order to cover the above-mentioned ancillary costs on average, a contribution, borne by the investor, is added, or deducted, respectively, from the net asset value at the time of the issue and redemption of units of the unit classes of all the sub-funds, except in the case of the issue and redemption of units in kind in accordance with § 18. This contribution shall represent a maximum of 0.80% of the net asset value on the issue of the units, and a maximum of 0.50% of the net asset value on redemption of the units. The rate applied at the time of the issue and redemption of units is calculated according to market conditions and may not under any circumstances exceed the aforementioned maximum rates indicated in the prospectus.

3. The fund manager may suspend the issue of units at any time ("soft closing", § 5 point 8) or refuse requests for subscription or conversion of units.
4. In the interest of all investors, the fund manager may temporarily and exceptionally suspend the redemption of units of a sub-fund:
  - a) when a market, which forms the basis for the valuation of a significant portion of the assets of the sub-fund concerned, is closed or when trading on such a market is limited or suspended;
  - b) when a political, economic, military, monetary or other emergency arises;
  - c) when, due to restrictions on currency traffic or other transfers of assets, the activities of the sub-fund concerned are paralysed;

- d) when a large number of units of a sub-fund are disposed of and, as a result, the interests of other investors may be significantly affected.
5. The fund manager shall immediately communicate its suspension decision to the audit company, the supervisory authority and, as appropriate, to the investors.
  6. As long as the redemption of the units of a sub-fund is deferred for the reasons listed in point 4 points a to c, no units of this sub-fund will be issued.

#### **§ 18 Issue and redemption of units in kind**

1. At the request of an investor, the fund manager may accept, in whole or in part, subscriptions and redemptions in kind if they comply with the fund contract, in particular the investment policy of the sub-fund concerned, and if the interests of the other investors are not compromised. The fund manager has full decision-making power concerning the acceptance of contributions and redemptions in kind. The costs associated with contributions and redemptions in kind are borne by the investor.
2. For each subscription and redemption in kind, the fund manager prepares a report that mentions:
  - separately, the investments in kind contributed to or received from the sub-fund concerned;
  - the value of these investments on the day of the contribution or redemption;
  - the number of units subscribed or redeemed;
  - any additional cash payments in the transaction.
3. At the time of each subscription or redemption in kind, the depositary bank verifies compliance with the terms of the subscription or redemption and the duty of loyalty, as well as the valuation of the contributions or redemptions in kind. It shall immediately notify the audit company of any reservation, irregularity or request for correction.
4. Subscriptions and redemptions in kind are mentioned in the sub-fund's annual report.

#### **V. Fees and expenses**

##### **§ 19 Fees and expenses payable by the investor**

1. When units are issued, an issue fee may be charged to the investor in favour of the sales promoters in Switzerland, representing a maximum of 1.00% of the issue price. The maximum rate applied to date is shown in the prospectus.
2. At the time of issue and redemption of units of the unit classes of all the sub-funds, except in the case of the issue or redemption of units in kind in accordance with § 18, the fund manager also receives, in favour of the assets of the sub-fund concerned, a contribution to ancillary costs, in order to cover on average the ancillary costs incurred by the sub-fund by investing the amount paid or by selling the portion of the investments corresponding to the units disposed of (see § 17 point 2). This contribution shall represent a maximum of 0.80% of the net asset value on the issue of the units, and a maximum of 0.50% of the net asset value on redemption of the units. The rate applied at the time of the issue and redemption of units is calculated according to market conditions and may not under any circumstances exceed the aforementioned maximum rates indicated in the prospectus.
3. The costs related to contributions and redemptions in kind in accordance with § 18 are borne by the investor.

##### **§ 20 Fees and expenses borne by the assets of the sub-funds**

1. For the fund management, asset management (except for the unit class (CHF) Z) and the sales promotion activities of the sub-funds (only for the unit class (CHF) A) as well as to cover all the tasks of the depositary bank, such as the custody of the assets of the sub-funds, payment traffic, the distribution of annual income and the other tasks mentioned in § 4, the fund manager deducts, on the basis of the average net assets of each unit class, a fixed annual fee (fixed management fee including retrocessions for the sales promotion). This fee is provisioned on the assets of the unit class on a pro rata temporis basis, at the time of each calculation of the net asset value, and debited at the end of each accounting month for the same month ended.

For all sub-funds, the maximum annual fixed management fees are:

Unit class (CHF) A: 0.85%.

Unit class (CHF) B\*: 0.65%.

Unit class (CHF) C\*: 0.50%.

Unit class (CHF) Z\*\*: 0.25%.

\* For the unit classes (CHF) B and (CHF) C, no retrocession is paid to compensate the sales promotion activities.

\*\* For the (CHF) Z unit class, the asset management activity is invoiced separately, in accordance with the specific agreement provided for in § 6 point 5, and no retrocession is paid to compensate sales promotion activities. The fixed management fee charged in accordance with § 20 point 1 and the fee paid in accordance with the aforementioned specific contract shall not, together, exceed 0.50%.

The fixed management fee rates actually applied for each unit class are published in the annual and half-yearly reports.

2. The following fees and expenses of the fund manager and the depositary bank, which may be taken from the assets of the sub-fund concerned, are not included in the fixed management fee:
  - a) costs of buying and selling investments, including standard brokerage fees, commissions, taxes and duties, and the costs of reviewing and maintaining quality standards for physical investments;
  - b) costs of external financial analysis and research;
  - c) fees charged by the supervisory authority for the modification, liquidation or merger of the sub-fund;
  - d) fees of the audit company for certificates issued in connection with the modification, liquidation or merger of the sub-fund;
  - e) fees of legal and tax advisers in connection with the creation, modification, liquidation or merger of the sub-fund, as well as the general defence of the interests of the sub-fund and its investors;

- f) costs incurred in connection with the possible registration of the sub-fund with a foreign supervisory authority, in particular fees charged by the foreign supervisory authority, translation costs and compensation paid to the foreign representative or payment service;
  - g) expenses in connection with the exercise of voting rights or creditor rights by the sub-fund, including the fees of external advisers;
  - h) fees and expenses relating to intellectual property rights filed in the name of the sub-fund or licensed by the sub-fund;
  - i) all costs incurred by extraordinary measures taken by the fund manager, the asset manager or the depositary bank to defend the interests of investors.
3. The fees mentioned in point 2 point a are directly added to the purchase price or deducted from the sale price.
  4. The fund manager and its delegates may pay retrocessions to compensate the activities promoting the sale of the units of the sub-funds in accordance with the provisions of the prospectus. They shall not grant any rebates to reduce the fees and costs borne by the investors and charged to the sub-fund in question.
  5. The management fee for target funds in which the assets of the sub-funds are invested may amount to a maximum of 3%, taking into account any retrocessions and rebates. The maximum rate of the management fee for target funds in which the assets of the sub-funds are invested must be indicated in the annual report, taking into account any retrocessions and rebates.
  6. When the company to which the management has been delegated acquires units of collective investment schemes managed directly or indirectly by itself, or by a company to which it is related through shared management or control, or by a significant direct or indirect holding (related target funds), no issue or redemption fee for the related target funds may be charged to the sub-fund concerned.
  7. The fees and expenses are charged only to the sub-funds to which a specific service has been provided. Fees and expenses that cannot be charged with certainty to a particular sub-fund are divided between all sub-funds in proportion to each sub-fund's share of the fund's assets.

## **VI. Publication of the financial statements and audit**

### **§ 21 Publication of the financial statements**

1. The unit of account of all sub-funds is the Swiss franc (CHF).
2. Each sub-fund's financial year runs from 1 April to 31 March of each year.
3. The fund manager shall publish an audited annual report of the fund and/or sub-funds within four months of the end of the financial year.
4. The fund manager shall publish a half-yearly report on the fund and/or sub-funds within two months of the end of the first half of the financial year.
5. The investor's right to information in accordance with § 5 point 5 remains reserved.

### **§ 22 Audit**

The auditor verifies the compliance of the fund manager and the depositary bank with the legal and contractual provisions as well as the rules of the Asset Management Association Switzerland AMAS that may apply to them. A brief report by the audit company on the published annual financial statements is included in the annual report.

## **VII. Use of the net income**

### **§ 23**

1. The net income of each sub-fund is distributed annually to investors by unit class, no later than four months after the end of the financial year, in the unit of account of the sub-fund.

The fund manager may also make interim distributions of income.

Up to 30% of the net income of each unit class, including earnings carried forward from previous financial years, may be carried forward. A distribution may be waived and the net income carried forward subject to the following cumulative conditions:

- the net income for the current financial year, including earnings carried forward from previous financial years, amounts to less than 1% of the net asset value of the unit class, and
- the net income for the current financial year, including earnings carried forward from previous financial years, amounts to less than CHF1.00 per unit.

2. Capital gains realised through the disposal of objects or rights may be distributed by the fund manager or retained for reinvestment.

## **VIII. Publications of the umbrella fund and sub-funds**

### **§ 24**

1. The body of documentation of the fund and sub-funds consists of the printed or electronic media mentioned in the prospectus. Changes to the body of documentation must be communicated in the body of documentation.
2. In particular, a summary of the main changes to the fund contract, indicating the addresses from which the full text of the changes can be obtained free of charge, a change in fund manager and/or depositary bank, the creation, cancellation or merger of unit classes and the dissolution of a sub-fund shall be published in the body of documentation. Changes required by law that do not affect investors' rights or are of an exclusively formal nature may be exempted from the publication requirement with the authorisation of the supervisory authority.
3. For each sub-fund, the fund manager publishes the issue and redemption prices of the units, or the net asset value, with the indication "excluding fees", of all the classes of units at each issue or redemption of units in the printed or electronic media mentioned in the prospectus. Prices must be published at least twice a month. The weeks and days on which the publications are made are indicated in the prospectus.

The fund manager may also publish the net asset values of all unit classes on dates on which units are not issued or redeemed, solely for the purposes of calculating and measuring performance or the calculation of fees. Under no circumstances may these net asset values be used as a basis for unit subscription or redemption orders.

4. The prospectus along with the fund contract, the basic factsheet and the annual and half-yearly reports can be obtained free of charge from the fund manager, the depositary bank and all sales promoters.

## **IX. Restructuring and dissolution**

### **§ 25 Mergers**

1. With the authorisation of the depositary bank, the fund manager may merge certain sub-funds with other sub-funds or other funds, in the sense that the assets and liabilities of the sub-fund and/or the funds acquired are transferred to the sub-fund and/or the acquiring fund on the date of the merger. Investors in the acquired sub-fund and/or fund receive units in the acquiring sub-fund and/or fund of a corresponding value. On the merger date, the acquired sub-fund and/or fund is dissolved without liquidation and the fund contract of the acquiring sub-fund and/or fund also applies to the acquired sub-fund and/or fund.
2. The fund or sub-funds may only be merged if:
  - a) the relevant fund contracts provide for this;
  - b) they are managed by the same fund manager;
  - c) the corresponding fund contracts are aligned with respect to the following provisions:
    - the investment policy, investment techniques, risk distribution and investment risks;
    - the use of net income and capital gains resulting from the disposal of objects and rights;
    - the type, amount and calculation of all remuneration, issue and redemption fees as well as ancillary costs for the purchase and sale of investments (in particular usual brokerage fees, commissions, taxes and duties) that may be charged to the assets of the fund and/or the sub-fund or the investors;
    - redemption conditions;
    - the term of the contract and the conditions for dissolution;
  - d) the valuation of the assets of the participating funds and/or sub-funds, the calculation of the exchange ratio and the transfer of assets and liabilities are carried out on the same day;
  - e) this does not result in any fees for the fund and/or the sub-fund or for investors. The provisions of § 20 point 2 points c, d and e remain reserved.
3. The supervisory authority may authorise the suspension of the redemption of units of the sub-funds and/or participating funds for a fixed period if it can be expected that the merger will take more than one day.
4. At least one month before the planned publication, the fund manager shall present the planned changes to the fund contract as well as the planned merger to the supervisory authority for verification, together with the merger plan. The merger plan shall contain information on the reasons for the merger, the investment policy of the participating funds and/or sub-funds and any differences between the acquiring fund and/or sub-fund and the acquired fund and/or sub-fund, the calculation of the exchange ratio, any differences in remuneration, any tax consequences for the funds and/or sub-funds and the opinion of the audit company provided for by law.
5. The fund manager shall publish the amendments to the fund contract in accordance with § 24 point 2 as well as the scheduled merger and date along with the merger plan, at least two months before the date it has set, in the documentation of the participating funds and/or sub-funds. In this case, it draws investors' attention to their possibility, within 30 days of publication, to raise objections to the supervisory authority against the planned changes to the fund contract or to demand redemption in cash or request redemption in kind of their units in the sub-fund.
6. The audit company shall immediately verify the correct procedure of the merger and shall give its opinion on this matter in a report to the fund manager and the supervisory authority.
7. The fund manager shall notify the supervisory authority in a timely manner of the completion of the merger and publish in the documentation of the participating funds and/or sub-funds the execution of the merger, the confirmation of the audit company as to the correct procedure of the transaction and the exchange ratio.
8. The fund manager shall mention the merger in the next annual report of the acquiring fund and/or sub-fund and in any half-yearly report published before. An audited closing report must be drawn up for the fund(s) and/or sub-fund(s) acquired if the merger does not take place on the ordinary closing date of the financial year.

### **§ 26 Term and dissolution of the sub-funds**

1. The sub-funds are set up for an indefinite period.
2. Both the fund manager and the depositary bank may cause the dissolution of a sub-fund by terminating the fund contract without notice.
3. Each sub-fund may be dissolved by decision of the supervisory authority, in particular if it does not have, at the latest one year after the expiry of the subscription period (launch) or a longer period granted by the supervisory authority at the request of the fund manager and the depositary bank, a net asset value of at least CHF5 million (or equivalent).
4. The fund manager shall immediately inform the supervisory authority of the dissolution and publish it in the body of documentation.
5. After the termination of the fund contract, the fund manager may liquidate the sub-fund without notice. If the supervisory authority has ordered the dissolution of a sub-fund, it must be liquidated immediately. Payment of the liquidation proceeds to the investors is entrusted to the depositary bank. If the liquidation extends over a longer period, the proceeds of the liquidation may be paid in successive instalments. The fund manager must request authorisation from the supervisory authority in order to be able to proceed with the final reimbursement.

## **X. Modification of the fund contract**

## § 27

If this fund contract needs to be amended or if it is planned to merge unit classes or change the fund manager or depositary bank, the investor may raise objections to the supervisory authority within 30 days of the corresponding publication. In the publication, the fund manager shall inform the investor of the changes to the fund contract which will be reviewed and controlled by FINMA from the perspective of compliance with the law. In the event of a change to the fund contract, including the merger of unit classes, investors may also request payment in cash or in kind for their units within the contractual deadlines. Cases according to § 24 point 2 which are exempt from the requirements governing publications with the authorisation of the supervisory authority remain reserved.

## XI. Governing law and jurisdiction

### § 28

1. The umbrella fund and each sub-fund are subject to Swiss law, in particular the Swiss Collective Investment Schemes Act of 23 June 2006 (CISA), the Collective Investment Schemes Ordinance of 22 November 2006 (CISO) and the FINMA Collective Investment Schemes Ordinance of 27 August 2014 (CISO-FINMA).
2. The place of jurisdiction is the head office of the fund manager, in Lausanne.
3. For the interpretation of this fund contract, the French version shall prevail.
4. This fund contract shall enter into force upon its approval by the supervisory authority.
5. When approving the fund contract, the supervisory authority will only examine the provisions within the meaning of art. 35a para. 1 points a to g CISO and check their compliance with the law.

Approved by the Swiss Financial Market Supervisory Authority FINMA on 15 August 2023.

**Fund manager**  
**GERIFONDS SA, Lausanne**

**Depositary bank**  
**Banque Cantonale Vaudoise, Lausanne**