



**J. Safra Sarasin**

# **JSS Bluevalor Sustainable Lifestyle Brand Equity**

**Investment fund incorporated under Swiss law  
(type “Other funds for traditional investments”)**

**Prospectus with integrated Fund Contract  
May 2023**

**Fund management company**

J. Safra Sarasin Investmentfonds AG  
Wallstrasse 9  
4002 Basel

**Custodian bank**

Bank J. Safra Sarasin Ltd  
Elisabethenstrasse 62  
4002 Basel



# Contents

<b>Part I Prospectus</b>	<b>3</b>
1. Information on the Investment Fund	3
2. Information on the Fund Management Company	9
3. Information on the Custodian Bank	10
4. Information on third parties	11
5. Further information	11
6. Further investment information	11
7. Detailed regulations	11
<b>Part II Fund Contract</b>	<b>12</b>
I. Basic principles	12
II. Rights and obligations of parties to the contract	12
III. Investment policy guidelines	14
IV. Calculation of the net asset value, and the issue and redemption of units	19
V. Fees and incidental costs	20
VI. Financial statements and audit	21
VII. Appropriation of net income	21
VIII. Publication of official notices by the Investment Fund	21
IX. Restructuring and dissolution	21
X. Amendments to the Fund Contract	23
XI. Applicable law and jurisdiction	23



This Prospectus with integrated Fund Contract, the key information document and the most recent annual or semi-annual report (if published after the latest annual report) serve as the basis for all subscriptions of units in this Investment Fund.

Only the information contained in the Prospectus, the key information document or the Fund Contract will be deemed to be valid.

## 1. Information on the Investment Fund

### 1.1 Investment Fund established in Switzerland

The Fund Contract for JSS Bluevalor Sustainable Lifestyle Brand Equity was drawn up by Swiss Life Funds AG, Lugano, as the former Fund Management Company, and submitted to the Swiss Federal Banking Commission (now the Swiss Financial Market Supervisory Authority FINMA) with the consent of Banca del Gottardo, the predecessor of BSI SA, Lugano, as Custodian Bank at the time. Financial Market Supervisory Authority FINMA) with the consent of Banca del Gottardo, the predecessor of BSI SA, Lugano, as Custodian Bank at that time. The Fund Contract was approved by this body for the first time on 24 May 2005 (under the name Bluevalor Equity Lifestyle Brand Fund).

### 1.2 Tax regulations relevant to the Investment Fund

The Fund has no legal personality in Switzerland. It is not subject to tax on income or capital.

The Swiss federal withholding tax deducted from the Investment Fund's domestic income can be reclaimed in full for the Fund by the Fund Management Company.

Foreign income and capital gains may be subject to the relevant withholding tax deductions imposed by the country of investment. Insofar as is possible, these taxes will be reclaimed by the Fund Management Company on behalf of Investors resident in Switzerland under the terms of double taxation treaties or other such agreements.

Distributions of income made by the Fund to Investors domiciled in Switzerland and abroad are subject to Swiss federal withholding tax (source tax) at 35%. Any capital gains paid on a separate coupon are not subject to withholding tax. Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application.

Payments of income to investors domiciled abroad are made without deduction of withholding tax on condition that at least 80% of the income comes from foreign sources. A bank must provide confirmation that the units of the foreign investor are held in custody at this bank and that the income will be credited to this account (by a bank declaration or affidavit). No guarantee can be given that at least 80% of the Fund's income will stem from foreign sources.

If withholding tax is charged to an Investor domiciled outside Switzerland owing to the failure to present a declaration of

domicile, under Swiss law they may submit a refund application directly to the Swiss Federal Tax Administration in Berne.

Furthermore, all or some of the interest income and capital gains (whether distributed or reinvested) may – depending on the person holding the units directly or indirectly – be subject to a paying agent's tax, such as final withholding tax or the Foreign Account Tax Compliance Act.

This tax information is based on the current legal situation and practice. It is subject to changes in legislation, the decisions of the courts or the ordinances and practices of the tax authorities.

Taxation and other tax implications for Investors who hold, buy or sell fund units are defined by the tax laws and regulations in the Investor's country of domicile. Investors should consult their tax advisor for more information. Neither the Fund Management Company nor the Custodian Bank can assume responsibility for the individual tax consequences for the Investor.

### The Investment Fund has the following tax status:

#### International automatic exchange of information in relation to tax matters (automatic exchange of information):

This Fund qualifies as a non-reporting financial institution for the purposes of the automatic exchange of information as defined in the Organisation for Economic Co-operation and Development (OECD) common standard of reporting and due diligence for financial account information (CRS).

#### FATCA:

The Investment Fund is registered with the US tax authorities as a Qualified Collective Investment Vehicle (QCIV) Foreign Financial Institution pursuant to Sections 1471 – 1474 of the US Internal Revenue Code (Foreign Account Tax Compliance Act, including the relevant directives, "FATCA").

### 1.3 Financial year

The financial year runs from 1 September to 31 August.

### 1.4 Audit firm

The audit firm is Deloitte AG, Zurich.

### 1.5 Units

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

In accordance with the Fund Contract, the Fund Management Company is entitled to establish, liquidate or merge unit classes at any time, subject to the consent of the Custodian Bank and the approval of the supervisory authority.

At present, there are the following unit classes:

P EUR dist  
I EUR dist  
C EUR dist

## Part I Prospectus

All the unit classes currently issued distribute their income. The unit classes differ as to the conditions of purchase and the cost structure (see 1.11).

For the purchase of unit class P EUR dist, no special rules apply with regard to the minimum investment or particular qualifying attributes of Investors.

The unit class I EUR dist is reserved for qualified investors within the meaning of Article 10 paragraph 3 - 3ter CISA. In addition, a minimum initial investment of 1 million in the currency of the relevant unit class applies for the I EUR dist unit class, irrespective of whether the investment is made for the investor's own account or on behalf of a third party. No minimum sums apply for top-up investments.

The unit class C EUR dist is reserved for:

1. Investors who hold an asset management mandate or have signed an advisory agreement with Bank J. Safra Sarasin Ltd or one of its group companies or branches,
2. Regulated financial intermediaries domiciled in Switzerland or other countries, such as banks, securities dealers, fund management companies and asset managers of collective investment schemes as well as other asset managers making investments in their own name and:
  - a) for their own account
  - b) for clients within the framework of an asset management mandate or advisory agreement
  - c) for a collective investment scheme.
3. Investors making investments on the basis of an advisory agreement concluded with the regulated financial intermediaries or asset managers referred to in point 2) above.
4. Employees of the J. Safra Sarasin Group

In the case of Investors in the unit classes I EUR dist and C EUR dist, if at a later date any of these requirements ceases to be met, the Fund Management Company shall be entitled to arrange for these Investors to be transferred to a unit class for which they are eligible.

### Conversion of units

Holders of units are entitled to convert from one unit class to another at any time, provided they fulfil the requirements of the unit class into which they wish to change. The same rules apply to the submission of conversion requests as those governing the issue and redemption of units (see § 17).

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class cannot be ruled out.

### **1.6 Listing and trading**

The units are not listed on an exchange.

### **1.7 Terms for the issue and redemption of fund units**

Fund units will be issued and redeemed on every bank working day (Monday to Friday). No issues or redemptions will take place on Swiss public holidays (Easter, Whitsun, Christmas, New Year, 1 August, etc.), or on days when the stock exchanges and markets in the Fund's main investment countries are closed, or when 50% or more of the Fund's assets cannot be adequately valued, or under the exceptional circumstances defined under § 17.4 of the Fund Contract.

Subscription and redemption orders received by the Custodian Bank by 12.00 pm at the latest on a given bank working day (order day) will be settled on the next bank working day (valuation day) on the basis of the net asset value calculated on this day. The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing). It is calculated on the valuation day on the basis of the closing prices on the order day.

The issue price for the units in a given class is obtained from the net asset value for this class calculated on the valuation day, plus the issuing commission. The amount of the issuing commission is stipulated below in 1.11. The issue and redemption price will be rounded to two decimal points of the reference currency for the respective unit class. Payment is generally made with value date two bank working days after the corresponding order day.

The redemption price for the units in a given class is obtained from the net asset value for this class calculated on the valuation day. A redemption commission is not charged. Payment is generally made with value date two bank working days after the corresponding order day.

Incidental costs relating to the purchase and sale of investments (specifically standard market brokerage fees, commissions, taxes and duties) arising for the Fund as a result of the investment of the paid-in sum or costs from the sale of redeemed units are charged to the fund assets.

### **1.8 Appropriation of net income**

Net income is distributed before the end of December each year.

### **1.9 Investment objective and investment policy of the Fund**

#### **1.9.1 Investment objective**

The investment objective of JSS Bluevalor Sustainable Lifestyle Brand Equity is primarily to achieve a positive investment performance and capital appreciation over the long term by investing in a global and actively managed portfolio of companies that use "Lifestyle Brands" ("Lifestyle Brand -

Companies”). At the same time, adequate risk diversification must be maintained.

In addition to financial considerations, the Fund integrates environmental, social and governance (ESG or sustainability) aspects into every step of the investment process. The Fund aims to minimise the risks and exploit the opportunities arising from sustainability mega-trends (such as scarcity of resources, demographic change, climate change, accountability etc.) by taking account of all relevant issuer-specific aspects, including ESG (aspects relating to environmental, social and governance issues). This applies for the entire investment process, from the definition of the investment universe through investment analysis to portfolio construction and risk management. The Investment Fund aims to avoid controversial exposure, minimise ESG risks, exploit ESG opportunities, achieve an above-average ESG profile and consciously endeavour to secure positive results by investing in companies that distinguish themselves through sustainable products and services.

The first step in the investment process is to define the investment universe in accordance with ESG criteria, which the investment manager sets based on the sustainability analysis carried out by Bank J. Safra Sarasin (described in greater detail below). During this phase, controversial activities are excluded and a review for positive and negative sustainability factors is carried out (exclusion of the worst assets in each class):

Standards-based exclusions and exclusions of controversial activities (“Standards-based exclusions of JSS”)

Particular business activities that are considered to be incompatible with sustainable development result in the exclusion of companies from the sustainable investment universe on the basis of the following exclusion criteria (including revenue caps):

- controversial weapons (none);
- defence and armaments (less than 5%);
- nuclear energy (less than 5%);
- Coal (less than 5% for coal extraction and less than 10% for coal-fired electricity generation);
- genetically modified organisms in agriculture and medicine (none);
- Palm oil (less than 5%, unless at least 75% of sites are RSPO certified);
- tobacco (less than 5%);
- adult entertainment (less than 5%);
- human rights violations under international law (structural, sustained failure to comply with the principles of the UN Global Compact) (none);

Review of positive and negative criteria: Best-in-class and worst-out approach

Bank J. Safra Sarasin defines the investment universe according to an ESG approach under which the best assets in the respective class are selected (best-in-class approach) or according to an ESG approach that excludes the worse assets (worst-out approach). The corresponding investment universe is defined according to the company’s own “sustainability matrix”, which is protected under trade mark law.

The best-in-class approach ensures that a significant proportion of issuers for which ESG data are available is excluded from the global investment universe. Under a worse-out approach, around 15% of issuers for which ESG data are available are excluded and ESG laggards are avoided.

ESG criteria may include the following:

- governance (e.g. composition of the board of directors, remuneration of management, governance code of conduct);
- legal changes (e.g. restriction of greenhouse gas emissions);
- physical threats (e.g. climate change);
- trade mark and reputational problems (e.g. occupational health and safety record, IT security);
- supplier chain management (e.g. industrial accidents resulting in lost working days, deaths, employer-employee relations);
- labour practices (e.g. health and safety standards, human rights provisions, Modern Slavery Act).

In order to ensure high sustainability standards – including the management of climate-related risks – Bank J. Safra Sarasin has established an internal Corporate Sustainability Board (CSB) in order to develop its sustainability strategy. The CSB is advised by an external Sustainable Investment Advisory Council, a body of international experts that supports Bank J. Safra Sarasin in relation to the concept, selection criteria and identification of business operations that should be excluded.

If Bank J. Safra Sarasin uses its own bottom-up investment analysis, ESG factors are incorporated into the research. During this stage of the process the portfolio manager or analysts supplements the financial assessment with data concerning ESG factors, the UN sustainability objectives as well as climate and other sustainability aspects in order to gain a holistic view of the investment concept and thus to be able to make a well-founded decision.

The Asset Manager monitors the ESG assessments and climate-related figures and compares these with the benchmark in its risk management system. In addition, development is also monitored with reference to ESG factors and climate protection by a body at Bank J. Safra Sarasin Ltd that is independent from asset management.

This Investment Fund falls within the scope of the Active Ownership Policy of Bank J. Safra Sarasin. The Bank pursues an

## Part I Prospectus

active ownership approach through direct dialogue with companies, cooperative engagement, engagement for the common good and the consideration of ESG criteria when issuing recommendations in relation to the exercise of voting rights (proxy voting in the case of equities). In the event that a voting rights representative is appointed, the Fund Management Company has developed specific guidelines in consultation with the Bank that reflect the general approach to sustainable investment as well as the research methodology and that systematically take account of ESG considerations.

Further information concerning the sustainable investment policy can be found at:

Sustainable Investment Policy:

<https://publications.jsafrasarasin.com/publicationpublic/getlatestpublication?prefix=SustainableInvestmentPolicy&lang=en>

The reporting framework for the ESG portfolio incorporates a relative and absolute assessment of the overall portfolio's ESG performance in relation to a range of financially significant ESG figures. These ESG figures are reviewed and discussed within the ambit of the investment manager's investment risk governance procedures.

"Lifestyle Brands" include product names, product lines, product samples and the like, which, in the eyes of consumers, impart particular value in terms of pleasure or prestige to products or services that goes beyond the actual substance or object. In typical cases, the success of Lifestyle Brands is based mainly on a brand's marketing or designation and is protected over the long term by intellectual property rights such as trade marks or copyright. Lifestyle Brands are nowadays encountered primarily in the luxury goods, clothing, fashion, sports, leisure, food, luxury vehicle, drink and entertainment industries. "Lifestyle Brand Companies" are companies that are mainly involved in the production, development and financing of Lifestyle Brands, that mainly provide services to companies of this type or that hold equity interests in companies of this type.

### 1.9.2 Investment policy

1. The Fund Management Company may invest the fund assets (after deducting liquid assets) in:
  - a) Equity securities and participation rights (equities, shares in cooperative societies, participation certificates, dividend-right certificates etc.) of global Lifestyle Brand Companies conducting sustainable business operations;
  - b) Derivatives based directly or indirectly on investments falling under a) above;
  - c) Debt securities and debt rights (bonds, debt instruments, warrants, convertible bonds etc.) and money market instruments of global private and public debtors denominated in euros or another freely convertible currency that comply with sustainability criteria;

- d) Units in other investment funds that invest their assets in accordance with the guidelines of this Investment Fund taking account also of a comparable sustainability approach.
2. Investments falling under c) are limited to 15% of the fund assets, and investments falling under d) to 10%.
3. The Fund Management Company invests at least 51% of the fund assets in equity securities via direct investments.

### 1.9.3 Collateral strategy within the scope of transactions involving derivative financial instruments

Counterparty risks may arise in connection with transactions involving derivative financial instruments. These risks are minimised as follows:

The following types of collateral are permissible:

- Equities as long as they are traded on a stock exchange or another market open to the public, are highly liquid and are components of a benchmark index.
- Exchange traded funds (ETFs) in the form of securities funds, other funds for traditional investments under Swiss law or UCITS are deemed to be equivalent to equities as long as they replicate a benchmark index and physically replicate the index. Swap-based, synthetically replicated ETFs are not permissible.
- Bonds, as long as they are traded on a stock exchange or another market that is open to the public and the issuer has a first-class credit rating. No rating is required in the case of government bonds from the US, Japan, the UK, Germany (including German federal states) or Switzerland (including cantons).
- Tradeable Schatzbriefe (Federal savings notes) and Schatzanweisungen (Federal Treasury financing paper) with a state guarantee are equivalent to government bonds as long as the state or the issue has a first-class rating or they are issued by the US, Japan, the UK, Germany (including German federal states) or Switzerland (including cantons).
- Money market funds as long as they comply with the AMAS guidelines or the CESR guidelines for money market funds, as long as daily redemptions are possible and the assets are of high quality.
- Cash collateral as long as it is denominated in a freely convertible currency.

Derivative transactions cleared centrally are always subject to collateralisation. The scope and amount of such collateralisation are based on the respective provisions of the central counterparty or the clearing house.

For derivative transactions that are not cleared centrally, the fund management company or its agents may conclude mutual collateralisation agreements with the counterparties. The minimum value of the collateral exchanged must at all times be equal to the replacement value of the outstanding derivative transactions.



Individual items of collateral may be valued at a discount, which is based on the volatility of the markets and the liquidity of the collateral. The following minimum discounts apply to the collateralisation of lending within the scope of securities lending transactions (% discount on the market value):

- Exchange traded equities and ETFs: 20% – 75%
- Government bonds (including Schatzanweisungen and Schatzbriefe), issued or guaranteed by the US, the UK, Japan, Germany or Switzerland (including cantons): 3%
- Other government bonds (including Schatzanweisungen and Schatzbriefe): 5%
- Corporate bonds: 6%
- Money market funds: 3%
- Cash if it is not denominated in the fund currency: 5%
- Cash in the fund currency: 0%

Cash collateral may be reinvested as follows and subject to the following risks:

Sight deposits in banks or with a short notice period, government bonds with high credit ratings, money market instruments with counterparties that have high credit ratings and money market funds that are subject to the AMAS guidelines or the CESR guidelines for money market funds. The cash collateral must always be reinvested in the same currency as that of the collateral accepted.

#### 1.9.4 Use of derivatives

The Fund Management Company may use derivatives. However, even under extreme market circumstances, the use of derivatives may not result in a deviation from the investment objectives or a change in the investment character of the Fund. The Commitment II approach is used in measuring risk.

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

In connection with collective investment schemes, derivatives may only be used for the purposes of currency hedging. The hedging of market, interest rate and credit risks in the case of collective investment schemes is unaffected, provided that the risks can be clearly determined and measured.

Derivatives may be used, as described in more detail in the Fund Contract (see § 12), provided the underlying securities are permitted as investments in accordance with the investment policy. The derivative transactions may be concluded either on a stock exchange or another regulated market open to the public, or in OTC (over-the-counter) trading. In addition to market risk, derivatives are also subject to counterparty risk, i.e. the risk that the party to the contract may not be able to meet its obligations and may thus cause a financial loss.

The use of credit default swaps (CDS) and other credit derivatives is not anticipated.

The use of derivatives may not have a leverage effect on the Fund's assets or correspond to a short sale. The total exposure

in derivatives may be up to 100% of the net fund assets and the total exposure of the Investment Fund may thus be up to 200% of its net fund assets.

#### 1.10 Net asset value

The net asset value of a unit of a given class is determined by the proportion of the market value of the fund assets attributable to that unit class, less any of the fund liabilities that are attributed to that unit class, divided by the number of units of that class in circulation. It will be rounded to two decimal points of the reference currency for that unit class. Fractions of units will be rounded up to three decimal points.

#### 1.11 Fees and incidental costs

##### 1.11.1 Fees and incidental costs charged to the Fund's assets (excerpt from § 19 of the Fund Contract)

Management fee charged by the Fund Management Company

- Unit class P EUR dist:  
not more than 2% p.a. of the net asset value
- Unit class I EUR dist:  
not more than 1.25% p.a. of the net asset value
- Unit class C EUR dist:  
not more than 1.50% p.a. of the net asset value

Commission on the payment of the annual profit

- not more than 0.25% p.a. of the gross payment

This fee covers the administration, asset management and (where applicable) the distribution activity in relation to the Fund.

Custodian bank's commission

- Unit class P EUR dist:  
not more than 0.2% p.a. of the net asset value
- Unit class I EUR dist:  
not more than 0.2% p.a. of the net asset value
- Unit class C EUR dist:  
not more than 0.2% p.a. of the net asset value

This fee covers the Custodian Bank's expenses such as the safekeeping of the Fund's assets, payments clearance and other tasks listed in § 4.

Furthermore, the costs listed under § 19 of the Fund Contract may also be charged to the Fund.

Information on the rates actually charged can be found in the annual and semi-annual reports

##### 1.11.2 Total expense ratio (TER)

The coefficient of the total costs charged to the Fund's assets on an ongoing basis (total expense ratio, TER) was:

Unit class P EUR dist:	
01/09/2019 to 31/08/2020:	1.87%
01/09/2020 to 31/08/2021:	1.06%

01/09/2021 to 31/08/2022:	1.88%
---------------------------	-------

### 1.11.3 Payment of retrocessions and rebates

The Fund Management Company and its representatives can pay retrocessions to cover the Fund's distribution activity. This can include, for example, any activity whose purpose is to promote the distribution or marketing of fund units, such as the organisation of roadshows, participation in industry events or trade fairs, the production of advertising materials, staff training in the area of distribution, etc.

Retrocessions are not treated as rebates if they are effectively passed on in part or in full to the Investors. The recipients of retrocessions shall ensure transparent disclosure and must inform the Investor, without being asked to do so and free of charge, about the level of remuneration they have received for distribution. If requested to do so, the recipients of retrocessions shall disclose the effective amounts they have received for the distribution of the collective investments of these Investors.

The Fund Management Company and its representatives can pay rebates directly to the Investor on request in connection with the distribution activity. The purpose of the rebates is to reduce the fees or costs charged to the Investor in question. Rebates are admissible as long as

- they are paid from the Fund Manager's fees and do not therefore make an additional charge on the Fund's assets;
- they are granted on the basis of objective criteria;
- they are granted to all Investors that meet the objective criteria, under the same preconditions in terms of time, and to the same extent.

Rebates are granted subject to the following objective criteria being fulfilled:

- The volume subscribed or the total volume held by the Investor in the collective investment scheme or in the promoter's product range, as the case may be;
- The level of fees generated by the Investor
- The investment behaviour practised by the Investor (e.g. expected investment period);
- The Investor's willingness to provide support in the launch phase of a collective investment scheme.

Upon request by the Investor, the Fund Management Company will disclose the corresponding amount of the rebates free of charge.

### 1.11.4 Fees and incidental costs charged to the Investor (excerpt from § 18 of the Fund Contract)

Issuing Commission payable to the Fund Management Company, Custodian Bank and/or distributors in Switzerland and abroad:

- not more than 2% for unit classes "P" and "C"
- not more than 0.00% for unit class "I"

Redemption commission: none.

### 1.11.5 Fee-splitting agreements and non-pecuniary benefits ("soft commissions")

The Fund Management Company has not concluded any commission sharing agreements.

The Fund Management Company has not concluded any agreements in respect of "soft commissions".

### 1.11.6 Investments in related collective investment schemes

In the case of investment in other collective investment schemes that are managed directly or indirectly by the Fund Management Company itself or by a company with which it is related by virtue of common management, control or a substantial direct or indirect investment, no issue and redemption commission is charged.

### 1.12 Inspection of reports

The Prospectus with integrated Fund Contract, the key information document and the annual or semi-annual reports may be obtained free of charge from the Fund Management Company, the Custodian Bank and all distributors.

### 1.13 Legal form of the Investment Fund

JSS Bluevalor Sustainable Lifestyle Brand Equity is an investment fund under Swiss law of the "other funds for traditional investments" type pursuant to the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA").

The Fund is based upon a collective investment agreement (Fund Contract), under which the Fund Management Company undertakes to provide the Investor with a stake in the Investment Fund in proportion to the fund units acquired by the said Investor, and to manage this Fund at its own discretion and for its own account in accordance with the provisions of the law and the Fund Contract. The Custodian Bank is party to the Fund Contract, in accordance with the tasks conferred upon it by the law and the Contract.

### 1.14 Main risks of the Fund

A position in a single company may represent up to 20% of the Fund's assets. The total value of all investments provided for under § 15, point 1 of the fund contract made by issuers or debtors in which more than 10% of the fund assets are invested may not exceed 60% of the fund's assets. This can lead to a concentration on a small number of stocks, which can increase the stock-specific risks. The Fund Management Company wants to leave open the option of weighting individual investments comparatively heavily from time to time. This option of achieving a relatively high concentration of investments, and the related higher investment risk, distinguishes JSS Bluevalor Sustainable Lifestyle Brand Equity (which is structured as an "other fund for traditional investments") from securities funds. Otherwise, this Investment Fund essentially complies with the requirements applicable to securities funds.

A sustainability risk is an event or condition that has an effect on environmental, social or governance issues, the occurrence of which could actually or potentially have significant negative effects on the value of the investments made by the investment fund (“sustainability risk”). This risk also arises in relation to climate-related factors resulting from climate change (known as physical risks) or social responses to climate change (known as transition risks) and may result in unforeseen losses that could have an effect on the Investment Fund’s investments and financial circumstances. Social factors (e.g. inequality, inclusivity, labour relations, investment in human capital, accident prevention, changes in customer behaviour etc.) or governmental failures (e.g. repeated significant breaches of international treaties, attempts at bribery, product quality and security, sales practices, etc.) may also give rise to sustainability risks. Sustainability risks are incorporated into investment decision making and risk monitoring according to the ESG integration approach and reflect potential or actual risks and/or opportunities for maximising the Investment Fund’s long-term risk-adjusted returns. The effects of the emergence of a sustainability risk may be varied and differ depending upon the specific risk, region and investment class. If a sustainability risk arises in relation to an asset, this generally has negative effects on the value of the asset or causes a complete loss of its value. An assessment of this type of the anticipated effects must therefore be carried out at portfolio level. It is considered that the Investment Fund is exposed to a broad range of sustainability risks, which differ from company to company. In particular, some markets and sectors are more heavily exposed to sustainability risks than others. For instance the energy sector – which is known to be one of the main drivers of greenhouse gas emissions – could be subjected to greater regulatory or public pressure and thus exposed to greater risks than other sectors. However, it is not considered that any individual sustainability risks will have a significantly negative impact on the financial value of the Investment Fund.

Other risks related to the ESG approach:

- The absence of established standards and a harmonised definition of sustainable investment can lead to differing interpretations of and approaches to the setting and implementation of sustainable investment goals. This first of all makes it more difficult to compare different sustainable financial instruments. Secondly, transparency in terms of the structure and application of sustainability approaches is limited as the investment manager is granted some degree of subjective discretion.
- ESG approach risks include the environmental risk (risk due to exposure to issuers that could cause environmental damage and/or the exhaustion of natural resources, or suffer from the consequences of any such developments), the social risk (risk due to the exposure to issuers that could suffer from the adverse consequences of social factors) and the governance risk (risk due to exposure to issuers that

could suffer from the negative consequences of inadequate governance structures).

- By simultaneously considering and combining E, S and G risks it is possible that an individual risk will be given less consideration from a general perspective than it would be under strategies that are specifically focused on this individual risk.
- The consideration of ESG factors within the investment policy is based in part on information obtained from external providers; although these providers are carefully selected, and are recognised specialists, it cannot be excluded that the information may be incomplete, inaccurate, incorrect, inconsistent or unavailable. There is therefore a risk that an issuer or a security may be assessed incorrectly and thus incorrectly incorporated into or excluded from the Fund’s portfolio.
- The application of ESG criteria may influence the Investment Fund’s performance. Accordingly, the Investment Fund may perform differently compared with similar funds for which these criteria are not applied.
- If the Investment Fund’s investment policy incorporates exclusionary criteria based on ESG considerations, this may result in the Investment Fund deciding not to purchase particular securities, even if a purchase would be beneficial, or selling securities on account of their ESG characteristics, even if this could be disadvantageous.

### 1.15 Liquidity risk management

The Fund Management Company will ensure appropriate liquidity management. The Fund Management Company assesses the liquidity of the Fund on a monthly basis under various scenarios and documents them. In particular, the Fund Management Company has identified potential liquidity risks with regard to redemptions and has provided for appropriate measures: The liquidity of the Fund must always be sufficient to ensure that redemption obligations and other delivery and payment obligations are fulfilled. Liquidity management includes stress tests and scenario analyses for this purpose and integrates modelled net outflows.

## 2. Information on the Fund Management Company

### 2.1 General information on the Fund Management Company

J. Safra Sarasin Investmentfonds Ltd is responsible for the management of the Fund. The Fund Management Company, which is domiciled in Basel, has been active in the fund business since its formation in 1993. Board of Directors and Management

#### Board of Directors

Oliver Cartade (Chairman), Member of the Executive Committee of Bank J. Safra Sarasin Ltd, Basel

Urs Oberer (Vice-Chairman),

Managing Director Bank J. Safra Sarasin Ltd, Basel

Daniel Graf, Managing Director Bank J. Safra Sarasin Ltd, Basel

## Part I Prospectus

Jan Stig Rasmussen, independent member of the Board of Directors

### Management

Michaela Imwinkelried, Managing Director  
Sarah Saade, Executive Director  
Elvan Sahin, Executive Director  
Valter Rinaldi, Executive Director  
Lucius Wirz, Executive Director

### 2.2 Subscribed and paid-up capital

The amount of the subscribed share capital of the Fund Management Company as at 31 December 2022 is CHF 4 million. The share capital is divided into registered shares and is fully paid up. J. Safra Sarasin Investmentfonds Ltd is a wholly-owned subsidiary of J. Safra Sarasin Holding Ltd, to which Bank J. Safra Sarasin Ltd also belongs.

The Fund Management Company is registered with the US tax authorities as a Participating Foreign Financial Institution (PFFI) pursuant to Sections 1471 – 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the relevant directives, "FATCA") (GIIN: IPRKWG.00010.ME.756).

J. Safra Sarasin Investmentfonds Ltd, Wallstrasse 9, P.O. Box, CH-4002 Basel

### 2.3 Transfer of investment decisions and other specific tasks

Investment decisions in respect of the Fund are delegated to Bank J. Safra Sarasin Ltd, Basel. Bank J. Safra Sarasin Ltd is a bank, and as such is subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA.

Bank J. Safra Sarasin Ltd has many years of experience in constructing, managing and administering portfolios. Precise details of how its remit is to be fulfilled are laid down in an asset management agreement between J. Safra Sarasin Investmentfonds Ltd and Bank J. Safra Sarasin Ltd.

### 2.4 Delegation of other specific tasks

The Fund's accounts are handled by RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch, which has many years of experience in bookkeeping for investment funds and securities. Precise details of how its remit is to be fulfilled are laid down in the agreement between J. Safra Sarasin Investmentfonds Ltd and RBC Investor Services Bank S.A.

### 2.5 Exercising of membership and creditors' rights

The Fund Management Company exercises the membership and creditors' rights associated with the investments of the Investment Fund it manages independently and exclusively in the interests of the Investors. The Fund Management Company will, upon request, provide the Investors with information on exercising of membership and creditors' rights. In the case of scheduled routine transactions, the Fund Management Company is free to exercise membership and creditors' rights

itself or to delegate their exercise to the Custodian Bank or a third party, as well as to waive the exercise of the membership and creditors' rights.

In the case of all other events that might have a lasting impact on the interests of the Investors, such as, in particular, the exercising of membership and creditors' rights the Fund Management Company holds as a shareholder or creditor of the Custodian Bank or another related legal entity, the Fund Management Company will exercise the voting rights itself or issue explicit instructions. In such cases, it may base its actions on information it receives from the Custodian Bank, the asset manager, the Fund Management Company or from specialist advisors or other third parties, or learns from the media.

## 3. Information on the Custodian Bank

### 3.1 General information on the Custodian Bank

The Custodian Bank is Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, Custodian Bank Supervision, 4051 Basel. The bank was established in Basel in 1841.

### 3.2 Additional information on the Custodian Bank

The Custodian Bank is a Swiss private bank with offices in Europe, Asia, the Middle East and Latin America. The bank is active mainly in the field of investment advisory, asset management for private and institutional clients, securities account management, the granting of loans, the execution of securities transactions and investment fund business. Its services also extend to investment foundations, corporate finance and market making.

The Custodian Bank may transfer the safekeeping of the fund assets to third-party custodians and central securities depositories in Switzerland or abroad, provided that this is in the interests of proper safekeeping. In respect of financial instruments, the transfer of safekeeping may be made only to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the delegation of safekeeping to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question. This involves the following risks: The use of third-party custodians and central securities depositories means that deposited securities are no longer owned solely by the Fund Management Company, which instead becomes only a co-owner. If the third-party custodians and central securities depositories are not subject to regulation, they are unlikely to satisfy the organisational requirements that Swiss banks have to meet. In the case of third-party security depositories abroad, the local legislation and industry practices also apply.

The Custodian Bank is liable for damage or loss caused by its agents unless it is able to prove that it exercised the due

diligence required in the circumstances in respect of selection, instruction, and monitoring.

The Custodian Bank is registered with the US tax authorities as a Participating Foreign Financial Institution pursuant to Sections 1471 – 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the relevant directives, "FATCA") (GIIN: IPRKWG.00000.LE.756).

Bank J. Safra Sarasin Ltd, Custodian Bank Supervision, Elisabethenstrasse 62, 4051 Basel

#### 4. Information on third parties

##### 4.1 Paying agents

The paying agent is Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4051 Basel.

##### 4.2 Distributor

The Fund Management Company can delegate the distribution and marketing of the Fund to third parties. In particular, Bank J. Safra Sarasin Ltd acts as distributor.

#### 5. Further information

##### 5.1 Key data

###### Swiss security number(s)

- Unit class P EUR dist 2156170
- Unit class I EUR dist 30839337
- Unit class C EUR dist 30839338

###### ISIN

- Unit class P EUR dist CH0021561706
- Unit class I EUR dist CH0308393377
- Unit class C EUR dist CH0308393385

###### Listing

None

###### Financial year

1 September to 31 August

###### Term

Unlimited

###### Accounting currency

Euro

###### Initial issue price

EUR 100.00 per unit

###### Units

Registered units (managed as book securities), no physical delivery

##### 5.2 Publication of official notices by the Investment Fund

Further information on the Investment Fund may be found in the latest annual or semi-annual report. The latest information can also be found on the Internet at [www.jsafrasarasin.ch](http://www.jsafrasarasin.ch).

In the event of a change to the Fund Contract, a change in the Fund Management Company or the Custodian Bank, as well as the liquidation of the Fund, the corresponding notice will be published on the electronic platform of Swiss Fund Data AG ([www.swissfunddata.ch](http://www.swissfunddata.ch)).

The net asset value of the units "excluding commissions" is published daily on the electronic platform of Swiss Fund Data AG ([www.swissfunddata.ch](http://www.swissfunddata.ch)) and in particular at [www.jsafrasarasin.ch/funds](http://www.jsafrasarasin.ch/funds).

##### 5.3 Sales restrictions

The issue and redemption of units in this investment fund abroad are subject to local regulations in individual countries. The Fund has been authorised for sale in the following countries:

- Switzerland
- Singapore

Units of this Investment Fund may not be offered, sold or delivered in the USA or in any of its territories or possessions. Units in this Investment Fund may not be offered, sold or delivered to US citizens or persons domiciled in the USA and/or other natural persons or legal entities whose income and/or revenue (irrespective of source) is liable to US income tax, or to anyone deemed to be a US person within the meaning of Regulation S of the US Securities Act of 1933 in its current form and/or the US Commodity Exchange Act in its current form, nor to persons residing in an area where the relevant FATCA provisions apply.

The Fund Management Company and the Custodian Bank may prohibit or restrict the sale, brokerage or transfer of units vis-à-vis natural persons or legal entities in certain countries and territories.

#### 6. Further investment information

##### 6.1 Profile of the typical investor

The investment fund is suited to investors with a long-term investment horizon who are primarily seeking a steady income. The investors should be able to take occasional fluctuations and a prolonged decrease in the net asset value of fund units.

#### 7. Detailed regulations

All further information on the Fund, such as the method used for the valuation of the Fund's assets, a list of all fees and incidental costs charged to the Investor and the Fund, and the appropriation of net income, can be found in the Fund Contract.

## Part II Fund Contract

### I. Basic principles

#### § 1 Name of the Fund; name and registered office of the Fund Management Company, Custodian Bank and asset manager

1. A contractual fund of the "other funds for traditional investments" type has been established under the name JSS Bluevalor Sustainable Lifestyle Brand Equity (the "Investment Fund") in accordance with Article 25 et seq. in conjunction with Article 68 to 70 of the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).
2. The Fund Management Company is J. Safra Sarasin Investmentfonds Ltd, Basel.
3. The Custodian Bank is Bank J. Safra Sarasin Ltd, with registered office in Basel.
4. The Asset Manager is Bank J. Safra Sarasin Ltd, with registered office in Basel.

### II. Rights and obligations of parties to the contract

#### § 2 The Fund Contract

The legal relationship between the Investor, on the one hand, and the Fund Management Company and the Custodian Bank, on the other, is governed by this Fund Contract and the applicable provisions of the legislation on collective investment schemes.

#### § 3 The Fund Management Company

1. The Fund Management Company manages the Fund at its own discretion and in its own name, but for the account of the Investors. It decides in particular on the issue of units, the investments and their valuation. It calculates the net asset value and determines the issue and redemption price of units, as well as any distributions of income. It exercises all rights associated with the Investment Fund.
2. The Fund Management Company and its agents are subject to duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the Investors. They implement the organisational measures that are necessary for proper management. They account for the collective investment schemes they manage and provide information on all fees and costs charged directly or indirectly to Investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary benefits.
3. The Fund Management Company may delegate investment decisions and specific tasks to third parties, provided that this is in the interests of proper management. It only commissions persons who have the necessary skills, knowledge and experience for this activity and who have the required authorisation. It carefully instructs and monitors the third parties involved. Investment decisions may only be delegated to asset managers who have the necessary authorisation. The Fund Management Company will remain responsible for the fulfilment of the supervisory duties and will

safeguard the interests of the Investors when delegating tasks. The Fund Management Company is liable for the actions of persons to whom it has delegated tasks as if they were its own actions.

4. The Fund Management Company may, with the consent of the Custodian Bank, submit a change to this Fund Contract to the supervisory authority for approval (see § 27).
5. The Fund Management Company may, in accordance with the provisions of § 24, merge the Investment Fund with other investment funds, or may, in accordance with the provisions of § 25, convert the Investment Fund into the different legal form of a collective investment scheme, or may, in accordance with the provisions of § 26, dissolve the Investment Fund.
6. The Fund Management Company is entitled to receive the fees stipulated in § 18 and § 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties, and to be reimbursed for expenses incurred in connection with such liabilities.

#### § 4 The Custodian Bank

1. The Custodian Bank is responsible for the safekeeping of the fund assets. It handles the issue and redemption of fund units as well as payment transfers on behalf of the Investment Fund.
2. The Custodian Bank and its agents are subject to duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the Investors. They implement the organisational measures that are necessary for proper management. They account for the collective investment schemes they retain and provide information on all fees and costs charged directly or indirectly to Investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary benefits.
3. The Custodian Bank is responsible for account and safekeeping account management on behalf of the Investment Fund, but does not have independent access to its assets.
4. The Custodian Bank ensures that, in the case of transactions relating to the assets of the Investment Fund, the countervalue is transferred within the usual time limit. It notifies the Fund Management Company if the countervalue is not remitted within the usual time limit and, where possible, requests reimbursement for the asset item concerned from the counterparty.
5. The Custodian Bank keeps the required records and accounts in such a manner that it is, at all times, able to distinguish between the assets held in safekeeping for the individual investment funds. In relation to assets that cannot be taken into safekeeping, the Custodian Bank verifies ownership by the Fund Management Company, and keeps a record thereof.

6. The Custodian Bank may transfer the safekeeping of the fund assets to third-party custodians and central securities depositories in Switzerland or abroad, provided that this is in the interests of proper safekeeping. The Custodian Bank verifies and monitors that the third-party custodian or central securities depository it appoints:

- a) possesses an appropriate organisational structure, financial guarantees and the specialist qualifications required given the nature and complexity of the assets entrusted to it;
- b) is subject to regular external audits, thereby ensuring that it possesses the financial instruments;
- c) the assets received from the Custodian Bank are held in safekeeping in such a manner that by means of regular portfolio comparisons they can, at all times, be clearly identified as belonging to the fund assets;
- d) complies with the provisions applicable to the Custodian Bank with respect to the performance of the tasks delegated to it and the avoidance of conflicts of interest.

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

In respect of financial instruments, the delegation of safekeeping in the sense of the previous paragraph may only be made to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the delegation of safekeeping to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question. Investors must be informed in the Prospectus of safekeeping with non-regulated third-party custodians or central securities depositories.

7. The Custodian Bank ensures that the Fund Management Company complies with the law and the Fund Contract. It verifies that the calculation of the net asset value and of the issue and redemption prices of the units, as well as the investment decisions, are in compliance with the law and the Fund Contract, and that income is appropriated in accordance with the Fund Contract. The Custodian Bank is not responsible for the choice of investments which the Fund Management Company makes in accordance with the investment regulations.

8. The Custodian Bank is entitled to receive the fees stipulated in §§18 and 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties, and to be

reimbursed for expenses incurred in connection with such liabilities.

9. The Custodian Bank is not responsible for the safekeeping of the assets of the target funds in which this Investment Fund invests, unless this task has been delegated to it.

## § 5 The Investor

1. There are no restrictions in terms of investor eligibility. Restrictions are possible for individual classes in accordance with § 6.4.

2. On concluding the contract and making a payment in cash, the Investor acquires a claim against the Fund Management Company in respect of participation in the Investment Fund's assets and income. This Investor's claim is evidenced in the form of fund units.

3. Investors are obliged only to remit payment for the units of the Fund they subscribe. They are not held personally liable for the liabilities of the Fund.

4. Investors may obtain information concerning the basis of the calculation of the net asset value per unit from the Fund Management Company at any time. If Investors assert an interest in more detailed information on specific business transactions effected by the Fund Management Company, such as the exercise of membership and creditors' rights, or on risk management, they must be given such information by the Fund Management Company at any time. The Investors may request before the courts of the registered office of the Fund Management Company that the audit firm or another expert investigate the matter which requires clarification and furnish the Investors with a report.

5. The Investors may terminate the Fund Contract at any time and demand that their share in the Investment Fund be paid out in cash.

6. Upon request, Investors are obliged to provide the Fund Management Company and/or the Custodian Bank and their agents with proof that they comply with or continue to comply with the conditions laid down in the law or the Fund Contract in respect of participation in the Fund or in a unit class. Furthermore, they are obliged to inform the Custodian Bank, the Fund Management Company and their agents immediately they cease to meet these conditions.

7. The Fund Management Company, in cooperation with the Custodian Bank, must make an enforced redemption of the units of an Investor at the current redemption price if:

- a) this is necessary to safeguard the reputation of the financial market, and specifically to combat money laundering;
- b) the Investor no longer meets the statutory or contractual preconditions for participation in the Investment Fund or a unit class.

8. The Fund Management Company, in cooperation with the Custodian Bank, may also make an enforced redemption

## Part II Fund Contract

of the units of an Investor at the current redemption price if:

- a) the participation of the Investor is such that it might have a significant detrimental impact on the economic interests of the other Investors, in particular if the participation might result in tax disadvantages for the Investment Fund in Switzerland or abroad;
- b) the Investor has acquired or holds their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, of this Fund Contract or of the Prospectus;
- c) the financial interests of investors are affected, specifically in situations where, by carrying out systematic subscriptions followed immediately by redemptions, certain investors attempt to obtain price advantages by exploiting differences between the times at which the closing price is set and the Fund's net asset value is calculated (market timing practices).

### § 6 Units and unit classes

1. The Fund Management Company may establish different unit classes and may also merge or dissolve unit classes at any time subject to the consent of the Custodian Bank and the approval of the supervisory authority. All unit classes embody an entitlement to a share in the undivided assets of the Fund, which are not segmented. This share may differ owing to class-specific costs or distributions or class-specific income and the various classes may therefore have different net asset values per unit. The assets of the Investment Fund as a whole are liable for class-specific costs.
2. Notification of the creation, dissolution or merger of unit classes is published in the official medium of publication. Only mergers are deemed a change to the Fund Contract pursuant to § 24.
3. The various unit classes may differ from one another in terms of their cost structure, reference currency, currency hedging, policy with regard to distribution and reinvestment of income, the minimum investment required, and investor eligibility. Fees and costs are charged only to that unit class for which the service in question is performed. Fees and costs that cannot be allocated unequivocally to a specific unit class are charged to the individual unit classes on a pro rata basis in relation to their share of the fund assets.
4. At present, there are the following unit classes:  
P EUR dist  
I EUR dist  
C EUR dist

All the unit classes currently issued distribute their income. The unit classes differ as to the conditions of purchase and the cost structure (see § 19).

For the purchase of unit class P EUR dist, no special rules apply with regard to the minimum investment or particular qualifying attributes of Investors.

The unit class I EUR dist is reserved for qualified investors within the meaning of Article 10 paragraph 3 - 3ter CISA. In addition, a minimum initial investment of 1 million in the currency of the relevant unit class applies for the I EUR dist unit class, irrespective of whether the investment is made for the investor's own account or on behalf of a third party. No minimum sums apply for top-up investments.

The unit class C EUR dist is reserved for:

- 1) Investors who hold an asset management mandate or have signed an advisory agreement with Bank J. Safra Sarasin Ltd or one of its group companies or branches,
  - 2) Regulated financial intermediaries domiciled in Switzerland or other countries, such as banks, securities dealers, fund management companies and asset managers of collective investment schemes as well as other asset managers making investments in their own name and:
    - (a) for their own account
    - (b) for clients within the framework of an asset management mandate or advisory agreement
    - (c) for a collective investment scheme.
  - 3) Investors making investments on the basis of an advisory agreement concluded with the regulated financial intermediaries or asset managers referred to in point 2) above.
  - 4) Employees of the J. Safra Sarasin Group.
5. Units do not take the form of actual certificates but will exist purely as book entries. Investors are not entitled to demand the delivery of a registered or bearer fund unit certificate.
  6. The Custodian Bank and the Fund Management Company are obliged to instruct Investors who no longer meet the conditions for holding a unit class that, within 30 calendar days, they must redeem their units pursuant to § 17, transfer them to a person who does meet the aforementioned conditions, or convert them into units of another unit class whose conditions they do meet. If an Investor fails to comply with this demand, the Fund Management Company must, in cooperation with the Custodian Bank, make an enforced conversion into another unit class of this Investment Fund or, should this not be possible, enforce the redemption of the units in question pursuant to § 5.7.

### III. Investment policy guidelines

#### A Investment principles

### § 7 Compliance with investment restrictions

1. In selecting individual investments the Fund Management Company must adhere to the principle of balanced risk diversification and must observe the percentage limits



defined below. These percentages relate to fund assets at market value and must be complied with at all times.

2. If the limits are exceeded as result of market-related changes, the investments must be restored to the permitted level within a reasonable period, taking due account of the Investors' interests. If the limits relating to derivatives pursuant to § 12 below are exceeded as a result of a change in the Delta, this is to be rectified within three bank working days at the latest, taking due account of the Investors' interests.

### § 8 Investment objective and investment policy

1. The Fund Management Company may invest the assets of this Investment Fund in the following investments. The risks involved in these investments must be disclosed in the Prospectus:

- a) Securities, i.e. transferable securities issued on a large scale and non-securitised rights with the same function (uncertified securities) that are traded on an exchange or other regulated market open to the public, and that embody a participation right or claim, or the right to acquire such securities and uncertified securities by way of subscription or exchange, for example warrants.

Investments in securities from new issues are permitted only if their terms of issue provide for their admission to an exchange or other regulated market open to the public. If they have not been admitted to an exchange or other regulated market open to the public within one year after their acquisition, these securities must be sold within one month or included under the restriction set down in paragraph 1 e).

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

OTC transactions are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions; and (ii) the OTC derivatives can be traded daily or a return to the issuer is possible at any time. In addition, it must be possible for them to be valued in a reliable and transparent manner. Derivatives may be used pursuant to § 12.

- c) Units of other collective investment schemes (target funds), provided that (i) their documents restrict investments for their part in other target funds to a total of 30%; (ii) these target funds are subject to provisions equivalent to those pertaining to securities funds in respect of the object,

organisation, investment policy, investor protection, risk diversification, asset segregation, borrowing, lending, short-selling of securities and money market instruments, the issuing and redemption of fund units and the content of the semi-annual and annual reports; and (iii) these target funds are authorised as collective investment schemes in their country of domicile and are subject there to supervision which is equivalent to that in Switzerland and which serves to protect Investors, and that international administrative assistance is ensured.

Subject to the provisions of § 19, the Fund Management Company may acquire units in target funds managed directly or indirectly by the Fund Management Company itself or by a company to which the Fund Management Company is related by virtue of common management or control, or by a significant direct or indirect interest.

- d) Money-market instruments, provided these are liquid, can be readily valued and are traded on an exchange or other regulated market open to the public. Money-market instruments which are not traded on an exchange or other regulated market open to the public may be acquired only if the issue or the issuer is subject to provisions regarding creditor or investor protection and if the money-market instruments are issued or guaranteed by issuers pursuant to Article 74 paragraph 2 CISO.
- e) Investments other than those specified in a) to d) above up to a total of 10% of the fund assets. The following are not permitted: (i) investments in precious metals, precious metals certificates, commodities and commodity certificates as well as (ii) real short-selling of any type of investment.

2. The investment objective of JSS Bluevalor Sustainable Lifestyle Brand Equity is primarily to achieve a positive investment performance and capital appreciation over the long term by investing in an actively managed portfolio of companies worldwide which primarily engage in sustainable business activities ("Sustainable Business") and which use "Lifestyle Brands" in doing so ("Lifestyle Brand Companies"). At the same time, adequate risk diversification must be maintained.

Lifestyle Brands include product names, product lines, product samples and the like, which, in the eyes of consumers, impart particular value in terms of pleasure or prestige to products or services that goes beyond the actual substance or object. In typical cases, the success of Lifestyle Brands is based mainly on a brand's marketing or designation and is protected over the long term by intellectual property rights such as trade marks or copyright. "Lifestyle Brand Companies" are companies that are mainly involved in the production, development and financing of Lifestyle Brands, that mainly provide services to companies of this type or that hold equity

## Part II Fund Contract

interests in companies of this type. The Prospectus indicates the respective sectors that are typical for Lifestyle Brand Companies.

3. The Fund Management Company may invest the fund assets (after deducting liquid assets) in:
  - a) Equity securities and participation rights (equities, shares in cooperative societies, participation certificates, dividend-right certificates etc.) of global Lifestyle Brand Companies conducting sustainable business operations;
  - b) Derivatives based directly or indirectly on investments falling under a) above;
  - c) Debt securities and debt rights (bonds, debt instruments, warrants, convertible bonds etc.) and money market instruments of global private and public debtors denominated in euros or another freely convertible currency that comply with sustainability criteria;
  - d) Units in other investment funds that invest their assets in accordance with the guidelines of this Investment Fund taking account also of a comparable sustainability approach.
4. Investments falling under c) are limited to 15% of the fund assets, and investments falling under d) to 10%.
5. The Fund Management Company invests at least 51% of the fund assets in equity securities via direct investments.
6. In addition to financial considerations, the Fund integrates environmental, social and governance (ESG or sustainability) aspects into every step of the investment process. The following approaches are applied: Standards-based exclusions of JSS, combination of best-in-class, worst-out and active ownership. More detailed information can be found in the Prospectus.
7. The Fund Management Company will ensure appropriate liquidity management. The details are disclosed in the Prospectus.

### § 9 Liquid assets

The Fund Management Company may also hold liquid assets in an appropriate amount in the Investment Fund's accounting currency, in the reference currencies of individual asset classes of the Investment Fund and in any other currency in which investments are permitted. Liquid assets comprise sight and time deposits with maturities up to 12 months.

## B Investment techniques and instruments

### § 10 Securities lending

The Fund Management Company does not engage in securities lending.

### § 11 Repurchase Agreements

The Fund Management Company does not engage in securities repurchase agreements.

### § 12 Derivatives

1. The Fund Management Company may use derivatives. It ensures that, even in exceptional market conditions, the financial effect of using derivatives does not result in a deviation from the investment objectives set out in this Fund Contract and in the Prospectus and that it does not change the investment character of the Investment Fund. Furthermore, the underlyings of the derivatives must be permissible investments according to this Fund Contract. In connection with collective investment schemes, derivatives may only be used for the purposes of currency hedging. The hedging of market, interest rate and credit risks in the case of collective investment schemes is unaffected, provided that the risks can be clearly determined and measured. The total exposure is determined in accordance with Article 35 CISO-FINMA.
2. The Commitment II approach is used in measuring risk. The overall exposure of this Investment Fund that is associated with derivatives may therefore not exceed 100% of its net assets, and overall exposure may not exceed a total of 200% of its net assets. Taking into account the possibility of temporary borrowing amounting to no more than 10% of the Fund's net assets pursuant to § 13.2, the overall exposure of the Investment Fund may be up to 210% of the Fund's net assets.
3. The Fund Management Company may, in particular, use basic forms of derivatives such as call or put options, the expiration value of which is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price, and is zero if the difference is preceded by the opposite sign (+ or -), swaps, the payments of which are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent manner, as well as future and forward transactions, the value of which is linearly dependent on the value of the underlying. In addition, it may also use combinations of basic forms of derivatives as well as derivatives whose financial structure cannot be described as a basic form of derivative or a combination of basic forms of derivatives (exotic derivatives). The use of credit default swaps (CDS) and other credit derivatives is not anticipated.
7.
  - a) Offsetting positions in derivatives of the same underlying as well as offsetting positions in derivatives and in investments of the same underlying may be offset against each other irrespective of the expiry of the derivatives ("netting") if the derivative transaction was concluded for the sole purpose of eliminating the risks associated with the acquired derivatives or investments, the material risks are not neglected in the process and the attributable amount of the derivatives is determined in accordance with Article 35 CISO-FINMA.

- b) If, in the case of hedging transactions, the derivatives do not relate to the same underlying asset as the asset to be hedged, then in addition to the rules in point (a), the requirements that the derivative transactions must not be based on an investment strategy that serves to generate a profit must be fulfilled for offsetting purposes ("hedging"). In addition, the derivative must lead to 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 class of financial instruments and the hedging strategy must be effective even under exceptional market conditions.
- c) In the case of a predominant use of interest rate derivatives, the amount to be counted towards the total exposure from derivatives may be determined by means of internationally recognised duration netting rules, provided that the rules lead to a correct determination of the risk profile of the Investment Fund, the material risks are taken into account, the application of these rules does not lead to an unjustified leverage effect, no interest arbitrage strategies are pursued and the leverage effect of the Investment Fund is not increased either by applying these rules or by investing in short-term positions.
- d) Derivatives that are used purely to hedge foreign currency risks and do not lead to leverage or involve additional market risks may be offset in the calculation of the total exposure from derivatives without the requirements under point (b).
- e) Payment obligations in respect of derivatives must be covered at all times by near-money assets, debt securities and rights, or equities that are traded on an exchange or other regulated market open to the public, in accordance with the legislation on collective investment schemes.
- f) If the Fund Management Company enters into an obligation to physically deliver an underlying with a derivative, the derivative must be covered with the corresponding underlyings or with other investments if the investments and the underlyings are highly liquid and can be acquired or sold at any time in the event of a required delivery. The Fund Management Company must always have unlimited access to these underlying assets or investments.
8. The Fund Management Company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading.
9. a) The Fund Management Company may conclude OTC transactions only with regulated financial intermediaries specialised in such types of transactions that ensure proper execution of the contract. If the counterparty is not the Custodian Bank, the former or its guarantor must have a high credit rating.
- b) It must be possible reliably and verifiably to value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
- c) If no market price is available for an OTC-traded derivative, it must be possible to determine the price at all times based on the market value of the underlyings from which the derivative is derived, using appropriate valuation models that are recognised in practice. Before concluding a contract for such a derivative, specific offers must be obtained from at least two counterparties, whereby the contract must be concluded with the counterparty that submits the best offer in terms of price. Deviations from this principle are permissible for reasons of risk diversification or if other contractual components such as the counterparty's creditworthiness or range of services make another offer appear more advantageous overall for the Investors. Furthermore, the solicitation of offers from at least two possible counterparties may be waived as an exception if this is in the best interest of the Investors. The reasons for this as well as the conclusion of the contract and the price determination will be documented in a comprehensible manner.
- d) The Fund Management Company or its agents may only accept collateral within the scope of an OTC transaction that meets the requirements pursuant to Article 51 CISO-FINMA. The issuer of the collateral must have a high credit rating and the collateral must not be issued by the counterparty or by a company belonging to or dependent on the group of the counterparty. The collateral must be highly liquid, traded at a transparent price on a stock exchange or another regulated market open to the public and valued at least daily. In managing the collateral, the Fund Management Company or its agents must comply with the obligations and requirements pursuant to Article 52 CISO-FINMA. In particular, they must adequately diversify the collateral in terms of countries, markets and issuers, whereby adequate diversification of issuers is deemed to have been achieved if the collateral held by a single issuer does not correspond to more than 20% of the net asset value. Exceptions for publicly guaranteed or issued investments pursuant to Article 83 CISO are unaffected. Furthermore, the Fund Management Company or its agents must be able to obtain the power of disposal and the authority to dispose of the collateral received in the event of default by the counterparty at any time and without involving the counterparty or obtaining its

## Part II Fund Contract

consent. The collateral received will be held in custody at the Custodian Bank. The collateral received may be held in custody on behalf of the Fund Management Company with a regulated third-party custodian if ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.

10. In complying with the statutory and contractual investment restrictions (maximum and minimum limits), derivatives must be factored in in accordance with the legislation on collective investment schemes.
11. The Prospectus must contain further information on:
  - the importance of derivatives as part of the investment strategy;
  - the effect of the use of derivatives on the risk profile of the Investment Fund;
  - the counterparty risks attached to derivatives;
  - the increase in volatility created by the use of derivatives and the higher overall commitment (leverage effect);
  - credit derivatives;
  - the collateral strategy.

### § 13 Borrowing and lending

1. The Fund Management Company may not grant loans for the Fund's account.
2. The Fund Management Company may borrow the equivalent of up to 10% of the Fund's net assets on a temporary basis.

### § 14 Encumbrance of the fund assets

1. No more than 25% of the Fund's net assets may be pledged or ownership thereof transferred as collateral by the Fund Management Company at the expense of the Investment Fund.
2. The fund assets may not be encumbered with guarantees. An exposure-increasing credit derivative is not deemed to be a guarantee within the meaning of this paragraph.

## C Investment restrictions

### § 15 Risk diversification

1. The regulations on risk diversification must include the following:
  - a) Investments pursuant to § 8, with the exception of index-based derivatives as long as the index is sufficiently diversified and representative of the market to which it relates and sufficiently publicised;
  - b) liquid assets pursuant to § 9;
  - c) Claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
3. The Fund Management Company may invest a maximum of 20% of the fund assets, including derivatives, in

securities and money market instruments of the same issuer. The total value of the securities and money market instruments of issuers in which more than 10% of the fund assets are invested may not exceed 60% of the fund assets. The provisions under point 4 and 5 below remain reserved.

4. The Fund Management Company may invest up to a maximum of 20% of the fund assets in sight and time deposits (liquid assets, § 9) held with the same bank.
5. The Fund Management Company may invest up to a maximum of 10% of the fund assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 20% of the fund assets.

If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets in accordance with Article 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.

6. Investments, deposits and claims pursuant to points 3 to 5 above from the same issuer/borrower may not, in total, exceed 20% of the fund assets.
7. Investments pursuant to point 3 with the same group of companies may not, in total, exceed 20% of the fund assets,
8. The Fund Management may invest up to a maximum of 10% of the fund assets in units of the same target fund, and not more than 10% of the fund assets in other collective investment schemes.
9. The Fund Management Company may not acquire any participation rights that in total represent more than 10% of the voting rights or that allow it to exert significant influence on the management of an issuer.
10. The Fund Management Company may acquire for the fund assets up to a maximum of 10% of non-voting participating securities, debt instruments and/or money market instruments of the same issuer, as well as up to a maximum of 25% of the units in other collective investment schemes.

These restrictions do not apply if the gross amount of the debt instruments, money-market instruments or the units in other collective investment schemes cannot be calculated at the time of the acquisition.

11. The restrictions in points 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.

#### IV. Calculation of the net asset value, and the issue and redemption of units

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

1. The net asset value of the Investment Fund and the proportions attributable to the individual classes (percentages) are calculated in euros at the market value as at the end of the financial year and for each day on which units are issued or redeemed. The fund assets will not be calculated on days on which the exchanges / markets in the Fund's main investment countries are closed (e.g. bank and stock exchange holidays).
2. Securities traded on an exchange or other regulated market open to the public are to be valued at the current prices paid on the main market. Other investments or investments for which no current price is available are to be valued at the price that would probably have been obtained in a diligent sale at the time of the estimate. In such cases, the Fund Management Company will use appropriate and recognised valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price or net asset value. If they are regularly traded on an exchange or other regulated market open to the public, the Fund Management Company may value them in accordance with point 2.
4. The value of money-market instruments that are not traded on an exchange or other regulated market open to the public is determined as follows: The valuation price of such investments is gradually adjusted in line with the repayment price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in market conditions, the valuation principles for individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, calculations are, as a rule, based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
5. Bank deposits are valued at the amount of the claim plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for bank deposits will be adjusted in line with the new circumstances.
6. The net asset value of a unit of a given class is determined by the proportion of the market value of the fund assets attributable to that unit class, less any of the fund liabilities that are attributed to that unit class, divided by the number of units of that class in circulation. It will be rounded to two decimal points of the reference currency for that unit class.
7. The percentages of the market value of the Fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this

occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the Investment Fund for each unit class. Thereafter, the percentage is recalculated when one of the following events occurs:

- a) when units are issued and redeemed;
- b) on the cut-off date for distributions, provided that (i) such distributions are made only for individual unit classes (distribution classes), or provided that (ii) the distributions of the various unit classes differ as percentages of their individual net asset values, or provided that (iii) different commission or costs, as percentages, are charged on the distributions of the various unit classes;
- c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various unit classes, provided that the liabilities of the various unit classes differ as percentages of their individual net asset values, especially if (i) different commission rates are applied to the various unit classes or if (ii) class-specific costs are charged;
- d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains originate from transactions made solely in the interests of one unit class or in the interests of several unit classes, but not in proportion to their share of the net fund assets.

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

1. Subscription and redemption orders for units will be accepted on the order day up to a certain cut-off time specified in the prospectus. The definitive price of the units for the issues and redemptions is determined at the earliest on the bank working day following the day the order is placed (valuation day). This is referred to as "forward pricing". The details are governed by the Prospectus.
2. The issue and redemption price of units is based on the net asset value per unit, calculated pursuant to § 16 on the valuation day on the basis of the closing prices from the previous day. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18. A redemption commission is not charged.  
Incidental costs relating to the purchase and sale of investments (specifically standard market brokerage fees, commissions, taxes and duties) arising for the Fund as a result of the investment of the paid-in sum or costs from the sale of redeemed units are charged to the fund assets.
3. The Fund Management Company may suspend the issue of units at any time, and may reject applications for the subscription and conversion of units.

## Part II Fund Contract

4. The Fund Management Company may, temporarily and by way of exception, defer repayment in respect of fund units in the interests of all Investors:
  - a) if a market which forms the basis of the valuation of a significant proportion of the fund assets is closed, or if trading on such a market is restricted or suspended;
  - d) in the event of a political, economic, military, monetary or other emergency;
  - e) if, owing to exchange controls or restrictions on other asset transfers, the Fund is no longer able to transact its business;
  - f) in the event of large-scale redemptions that might significantly impair the interests of the remaining Investors.
5. The Fund Management Company will immediately inform the audit firm and the supervisory authority of any decision to defer redemptions. It must also inform the Investors in a suitable manner.
6. No units will be issued for as long as repayments in respect of units are deferred for the reasons stipulated under point 4 a) to c).

### V. Fees and incidental costs

#### § 18 Fees and incidental costs charged to the Investor

1. On the issue of fund units, the Investors may be charged an issuing commission accruing to the Fund Management Company, the Custodian Bank and/or distributors in Switzerland and abroad which, in total, may not exceed 2% of the net asset value. The currently applicable maximum rate is stated in the Prospectus.
2. For payments in connection with the liquidation of the Fund, the Custodian Bank may charge the investors a commission not exceeding 0.50% of the gross payment.

#### § 19 Fees and incidental costs charged to the fund assets

1. For the administration, asset management and distribution of the Fund, the Fund Management Company will charge the Fund a commission that is
  - not more than 2.00% p.a. (unit class P EUR dist)
  - not more than 1.25% (unit class I EUR dist)
  - not more than 1.50% p.a. (unit class C EUR dist)of the Investment Fund's net assets, calculated on a pro rata basis every time the net asset value is calculated, and charged at the end of each month (management fee, incl. distribution commission).

The rate of the management fee actually charged is stated in the annual and semi-annual reports.
2. For the safekeeping of the fund assets, the handling of the Investment Fund's payment transactions and the performance of the other tasks of the Custodian Bank listed under § 4, the Fund Management Company will charge the Investment Fund an annual commission of
  - not more than 0.20% p.a. (unit class P EUR dist)
  - not more than 0.20% (unit class I EUR dist)
  - not more than 0.20% p.a. (unit class C EUR dist)of the Investment Fund's net assets, calculated on a pro rata basis every time the net asset value is calculated, and charged at the end of each month (Custodian Bank fee).

The rate of the management fee actually charged is stated in the annual and semi-annual reports.
3. For the distribution of annual income to the Investors, the Custodian Bank may charge the Investment Fund a commission not exceeding 0.25% of the gross amount of the distribution. The Prospectus specifies whether such a commission is charged and indicates the relevant applicable maximum rate.

The rate of the fee actually charged is stated in the annual and semi-annual reports.
4. Furthermore, the Fund Management Company and the Custodian Bank are entitled to reimbursement of the following costs incurred in executing the Fund Contract:
  - a) Costs for the purchase and sale of investments, namely standard brokerage fees, commissions, taxes and duties, as well as costs for the review and maintenance of quality standards for physical investments;
  - b) The supervisory authority's fees in relation to the establishment, amendment, liquidation or merger of the Fund;
  - c) The supervisory authority's annual fees;
  - d) The audit firm's fees for annual auditing as well as certification in the case of establishment, amendments, liquidation or mergers of the Fund;
  - e) Fees for legal and tax advisors in connection with the establishment, amendment, liquidation, merger or amalgamation of the Fund, as well as generally upholding the interests of the Fund and its Investors;
  - f) The cost of publishing the net asset value of the Fund, together with all the costs of providing notices to Investors, including translation costs, provided such costs cannot be ascribed to any failure on the part of the Fund Management Company;
  - g) The cost of printing legal documents, as well as the Fund's annual and semi-annual reports;
  - h) The cost of any registration of the Fund with a foreign supervisory authority, and specifically the commissions levied by the foreign supervisory authority, translation costs, and remuneration for the representative or paying agent abroad;
  - i) Costs relating to the exercising of voting rights or creditors' rights by the Fund, including the cost of fees paid to external advisors;
  - j) Costs and fees relating to intellectual property registered in the name of the Fund or with rights of use for the Fund;
  - k) all costs incurred though any extraordinary steps taken to safeguard the interests of Investors by the Fund Management Company, asset manager of collective investment schemes or Custodian Bank

5. The costs according to point 4(a) are directly added to the acquisition value or deducted from the saleable value.
6. In accordance with the provisions in the Prospectus, the Fund Management Company and its agents may pay retrocessions to cover the distribution of fund units and rebates to reduce the fees and costs charged to the Fund that are attributable to the Investor.
7. If the Fund Management Company acquires units in other collective investment schemes that are managed directly or indirectly by the Fund Management Company itself or a company to which it is related by virtue of common management or control or by a significant direct or indirect interest ("related target funds"), it may not charge any issuing or redemption commissions of the related target funds to the Investment Fund.

## VI. Financial statements and audit

### § 20 Financial statements

1. The Fund's accounting currency is the euro (EUR).
2. The financial year runs from 1 September to 31 August.
3. The Fund Management Company publishes an audited annual report for the Investment Fund within four months of the end of the financial year.
4. The Fund Management Company publishes a semi-annual report within two months of the end of the first half of the financial year.
5. The Investor's right to obtain information under § 5.4 is reserved.

### § 21 Verification

The audit firm examines whether the Fund Management Company and the Custodian Bank have complied with the statutory and contractual provisions, and with the code of conduct of the Asset Management Association Switzerland. The annual report contains a short report by the audit firm on the published annual financial statements.

## VII. Appropriation of net income

### § 22

1. The net income of the Investment Fund is distributed annually per unit class to the Investors in euros as the accounting currency within four months of the close of the financial year.

The Fund Management Company may arrange additional interim distributions from the income.

Up to 30% of the net income of a unit class may be carried forward to the new account. A distribution may be waived and the entire net income may be carried forward to the new account if

- the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than 1% of the net asset value of the collective investment scheme or unit class, and

- the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than one unit of the accounting currency of the collective investment scheme or unit class.
2. Capital gains realised on the sale of assets and rights may be distributed by the Fund Management Company or retained for the purpose of reinvestment

## VIII. Publication of official notices by the Investment Fund

### § 23

1. The medium of publication of the Investment Fund is the print medium or electronic medium specified in the Prospectus. Notification of any change in the medium of publication must be published in the medium of publication.
2. The following information must, in particular, be published in the medium of publication: summaries of material amendments to the Fund Contract, indicating the offices from which the amended wording may be obtained free of charge; any change of Fund Management Company and/or Custodian Bank; the creation, dissolution or merger of unit classes; and the liquidation of the Investment Fund. Amendments that are required by law that do not affect the rights of Investors or are of an exclusively formal nature may be exempted from the duty to publish subject to the approval of the supervisory authority.
3. Each time units are issued or redeemed, the Fund Management Company will publish the issue and the redemption prices or the net asset value together with a note stating "excluding commissions" for all unit classes in the print medium specified in the Prospectus or the electronic medium recognised by the supervisory authority. Prices must be published at least twice each month. The weeks and weekdays on which publications are made must be specified in the Prospectus.
4. The Prospectus with integrated Fund Contract, the key information document and the latest annual or semi-annual reports may be obtained free of charge from the Fund Management Company, the Custodian Bank and all distributors.

## IX. Restructuring and dissolution

### § 24 Mergers

1. Subject to the consent of the Custodian Bank, the Fund Management Company may merge funds by transferring the assets and liabilities as at the time of the merger of the fund(s) being acquired to the acquiring fund. The Investors of the fund(s) being acquired will receive the corresponding number of units in the acquiring fund. The fund(s) being acquired is/are terminated without liquidation when the merger takes place, and the Fund

## Part II Fund Contract

Contract of the acquiring fund will also apply for the fund(s) being acquired.

2. Investment funds may be merged only if:
  - a) provision for this is made in the relevant fund contracts;
  - b) they are managed by the same fund management company;
  - c) the relevant fund contracts essentially correspond in terms of the following provisions:
    - the investment policy, investment techniques, risk diversification, and the risks associated with the investment,
    - the appropriation of net income and capital gains from the sale of assets and rights,
    - the type, amount and calculation of all fees, issue and redemption commissions, and the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the fund assets or to the Investors,
    - the redemption conditions,
    - the duration of the contract and the conditions of dissolution;
  - d) the assets of the funds concerned are valued, the exchange ratio is calculated, and the assets and liabilities are acquired on the same day;
  - e) no costs arise as a result for either the Investment Fund or the Investors.

The provisions of § 19 4(b), (d) and (e) are unaffected.

3. If the merger is likely to take more than one day, the supervisory authority may approve limited deferment of repayment in respect of the units of the investment funds involved.
4. At least one month before the planned publication, the Fund Management Company must submit the proposed changes to the Fund Contract, and the proposed merger, as well as the merger schedule to the supervisory authority for review. The merger schedule must contain information on the reasons for the merger, the investment policies of the funds involved and any differences between the acquiring fund and the fund(s) being acquired, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the funds, as well as a statement from the audit firm responsible in accordance with the legislation on collective investment schemes.
5. The Fund Management Company must publish a notice of the proposed changes to the Fund Contract pursuant to § 23.2 and the proposed merger and its timing, as well as the merger schedule, at least two months before the planned date of merger in the medium of publication of the Investment Funds involved. In this notice, the Fund Management Company must inform the Investors that they may lodge objections to the proposed changes to the Fund Contract with the supervisory authority within 30

days of the last publication, or request redemption of their units in cash.

6. The audit firm must check directly that the merger is being carried out correctly, and must submit a report containing its comments in this regard to the Fund Management Company and the supervisory authority.
7. The Fund Management Company must inform the supervisory authority of the conclusion of the merger, and publish notification of the completion of the merger, confirmation from the audit firm of the proper execution of the merger, and the exchange ratio, without delay in the medium of publication of the Investment Funds involved. The Fund Management Company must make reference to the merger in the next annual report of the acquiring fund, and in the semi-annual report if published prior to the annual report. If the merger does not take place on the last day of the usual financial year, an audited closing statement must be produced for the fund(s) being acquired.

### § 25 Conversion to a different legal form

1. With the consent of the Custodian Bank, the Fund Management Company may convert Investment Funds into sub-funds of a SICAV under Swiss law, whereby the assets and liabilities of the converted Investment Fund(s) are transferred to the investor sub-fund of a SICAV at the time of conversion. The investors of the converted Investment Fund receive units of an equivalent value in the investor sub-fund of the SICAV. On the day of conversion, the converted Investment Fund is terminated without liquidation; the Investment Regulations of the SICAV apply to the investors of the converted Investment Fund, who become investors of the investor sub-fund of the SICAV.
2. The Investment Fund may only be converted into a sub-fund of a SICAV if:
  - a) this is provided for in the Fund Contract and is expressly stated in the Investment Regulations of the SICAV;
  - b) The Investment Fund and the sub-fund are managed by the same fund management company;
  - c) The Fund Contract and the Investment Regulations of the SICAV accord with one another in terms of the following provisions:
    - investment policy (including liquidity), investment techniques (securities lending, repo and reverse repo transactions, financial derivatives), borrowing and lending, pledging of assets of the collective investment, risk distribution and investment risks, nature of the collective investment scheme, investor eligibility, unit/share classes and calculation of the net asset value
    - appropriation of net income and capital gains from the sale of assets and rights
    - appropriation of results and reporting,



- type, amount and calculation of all fees, issue and redemption commissions, and the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the fund assets or to the SICAV, the Investors or the Shareholders, subject to incidental costs of the SICAV specific to its legal form
  - issue and redemption conditions,
  - duration of the contract or the SICAV,
  - medium of publication.
- d) The valuation of the assets of the collective investment schemes involved, calculation of the exchange ratio and transfer of assets and liabilities take place on the same day;
  - e) No costs arise for the Investment Fund or the SICAV, or for the Investors or the Shareholders.
3. FINMA may approve the suspension of redemptions for a specific period if it is anticipated that the conversion will take more than a day.
  4. The Fund Management Company must submit the proposed changes to the Fund Contract, and the proposed merger, as well as the merger schedule to FINMA for review. The merger schedule must contain information on the reasons for the merger, the investment policies of the collective investment schemes involved and any differences between the converted Investment Fund and the sub-fund of the SICAV, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the collective investment schemes, as well as a statement from the Investment Fund's audit firm.
  5. The Fund Management Company publishes any changes to the Fund Contract pursuant to § 23 paragraph 2 and the proposed merger and its timing, as well as the merger schedule, at least two months before the planned date of merger in the medium of publication of the converted Investment Fund. In this notice, the Fund Management Company must inform the Investors that they may lodge objections to the proposed changes to the Fund Contract with the supervisory authority within 30 days of the publication/notice, or request redemption of their units.
  6. The auditors of the Investment Fund and the SICAV (if different) will immediately verify that the conversion has been properly executed and furnishes the Fund Management Company, the SICAV and FINMA with a report.
  7. The Fund Management Company must inform FINMA of the conclusion of the merger and forward to FINMA confirmation from the audit firm of the proper execution of the transaction and the conversion report without delay in the medium of publication of the Investment Funds involved,
  8. The Fund Management Company or the SICAV must make reference to the conversion in the next annual report of

the Investment Fund or the SICAV and in the semi-annual report if published prior to the annual report.

#### **§ 26 Duration of the Investment Fund and dissolution**

1. The investment fund is established for an indefinite period.
2. The Fund Management Company or the Custodian Bank may dissolve the Fund by terminating the Fund Contract without notice.
3. The Investment Fund may be dissolved by order of the supervisory authority, in particular, if it does not have net assets of at least 5 million Swiss francs (or the equivalent).
4. The Fund Management Company must inform the supervisory authority of the dissolution immediately and must publish notification in the medium of publication.
5. Once the Fund Contract has been terminated, the Fund Management Company may liquidate the Fund forthwith. If the supervisory authority has ordered the dissolution of the Investment Fund, it must be liquidated forthwith. The Custodian Bank is responsible for the payment of liquidation proceeds to the Investors. If the liquidation proceedings are protracted, payment may be made in instalments. The Fund Management Company must obtain authorisation from the supervisory authority prior to the final payment.

#### **X. Amendments to the Fund Contract**

##### **§ 27**

If any amendments are to be made to this Fund Contract, or if the merger of unit classes or a change of Fund Management Company or of Custodian Bank is planned, Investors may lodge objections with the supervisory authority within 30 days of the publication. In the publication, the Fund Management Company must inform the Investors about which amendments to the Fund Contract are covered by FINMA's verification and check for compliance with the law. In the event of a change to the Fund Contract (including the merger of unit classes) the Investors may also demand the redemption of their units in cash subject to the contractual period of notice. Exceptions in this regard are cases pursuant to § 23.2 that have been exempted from the duty to publish with the approval of the supervisory authority.

#### **XI. Applicable law and jurisdiction**

##### **§ 28**

1. The Investment Fund is subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA), the Ordinance on Collective Investment Schemes of 22 November 2006 (CISO) and the Ordinance of the Swiss Financial Market Supervisory Authority FINMA on Collective Investment Schemes of 27 August 2014 (CISO-FINMA).
2. The place of jurisdiction is the registered office of the Fund Management Company.

## Part II Fund Contract

3. The German version is binding in all matters of interpretation relating to this Fund Contract.
4. This Fund Contract takes effect on 18 May 2023.
5. The present Fund Contract replaces the Fund Contract dated 31 October 2022.
6. When approving the Fund Contract, FINMA verifies only the provisions pursuant to Article 35a paragraph 1 a)-g) CISO and ensures their compliance with the law.

Basel, 18 May 2023

The Fund Management Company:

**J. Safra Sarasin Investmentfonds Ltd, Basel**

The Custodian Bank:

**Bank J. Safra Sarasin AG, Basel**



