



J. Safra Sarasin

# JSS Special Investments FCP (SIF)

Specialised investment fund incorporated under Luxembourg law according to the Law of 13 February 2007 relating to Specialised Investment Funds as amended from time to time

Issuing Document with Management Regulations

As at: 1 January 2023

**Edition Switzerland**



Sustainable Asset Management

## **ADDITIONAL INFORMATION CONCERNING THE OFFERING OF UNITS IN SWITZERLAND**

The offer or invitation of the different units (the “Units”) of the Fund, can be offered in Switzerland exclusively to Qualified Investors (the “Qualified Investors”) as defined by Articles 10.3 and 10.3ter of the Swiss Collective Investment Schemes Act (“CISA”) and Article 6.a the Swiss Collective Investment Schemes Ordinance (“CISO”). The Fund has not been resp. cannot be and will not be authorised or registered by the Swiss Federal Financial Market Authority (“FINMA”) for public offering in Switzerland. This Issuing Document and/or any other materials relating to the interest in the Fund may be available in Switzerland solely to Qualified Investors and the Units are not allowed to be offered to the public.

### **INFORMATION FOR QUALIFIED INVESTORS IN SWITZERLAND**

offering to qualified investors is given if it is addressed to:

- Regulated financial intermediaries (e.g. banks, securities dealers, fund management companies, asset managers of collective investment schemes, central banks);
- Regulated insurance institutions;
- Public entities and retirement benefits institution with professional treasury operations;
- Companies with professional treasury operations;
- High net worth individuals who state in writing that they want to be considered as qualified investors and who (i) are aware of the risks of their investments either due to their education and professional experience or due to comparable experience in the financial sector and dispose of a fortune of at least CHF 500'000, (ii) or alternatively who dispose of a fortune of at least CHF 2 million.
- Individuals who have concluded a written discretionary asset management agreement with a financial intermediary or an independent asset manager unless they have declared in writing that they do not wish to be deemed as qualified investor.

#### **a) Swiss Representative**

The Representative in Switzerland is J. Safra Sarasin Investmentfonds AG, Wallstrasse 9, CH-4002 Basel.

Email: [SIF.Data@jsafrasarasin.com](mailto:SIF.Data@jsafrasarasin.com)

#### **b) Paying Agent**

Paying agent in Switzerland is Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, CH-4051 Basel.

Email: [Switzerland@jsafrasarasin.com](mailto:Switzerland@jsafrasarasin.com)

#### **c) Place of acquisition of the relevant documents**

The following documents and/or information as defined in Art. 133 CISO referring to Articles 13(a) and 15 CISO are available for inspection and can be obtained free of charge from the Swiss representative and all distributors:

- a) The latest available Issuing Document of the Fund;
- b) The latest Management Regulations of the Fund;
- c) The latest audited annual report of the Fund, if available.

#### **d) Publications**

The issue and redemption prices as well as the net asset value are available at J. Safra Sarasin Investmentfonds AG.

#### **e) Place of performance and jurisdiction**

For Units offered in Switzerland the place of performance is the registered office of the Swiss representative. The place of jurisdiction is at the registered office of the Swiss representative or at the registered office or domicile of the investor.

#### **f) Other information**

Requests for the purchase, sale and conversion of Units from qualified distributors in Switzerland must be forwarded to and processed by:

Bank J. Safra Sarasin Ltd  
Bändliweg 20  
PO Box  
CH-8048 Zurich

This Issuing Document (including Management Regulations) is governed by the provisions of the Law of 13 February 2007 (the “2007 Law”), as amended.

Subscriptions are only valid if made on the basis of this Issuing Document, the UCITS KIID-like documents (the “KIIDs”) and the latest annual report. These documents are an integral part of this Issuing Document and with it form the basis for all subscriptions of the fund’s units. The above-mentioned documents are available free of charge upon request to the AIFM.

Only the information contained in the Issuing Document and in the documents referred to therein is valid and binding. Statements made in this Issuing Document are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes. This Issuing Document may be translated into other languages. In the event of inconsistencies between the English Issuing Document and a version in another language, the English Issuing Document shall prevail insofar as the laws in the legal system under which the units are marketed not provide for the contrary.



# Contents

<b>Issuing Document</b>	<b>3</b>
I. General provisions	3
II. Investment principles and ESG related information	6
III. Leverage	8
IV. Changes to the investment principles and the investment policy	8
V. The AIFM	8
VI. Depositary bank and paying agent, registrar and transfer agent and central administration agent	9
VII. Asset management	11
VIII. Auditors	11
IX. Risk warnings and risk control	11
X. Risk management	15
XI. Conflicts of interest	15
XII. Liquidity management	16
XIII. Issue, redemption and conversion of units	16
XIV. Money laundering	18
XV. Late trading and market timing	19
XVI. Rights of the Unitholders and equal treatment of Unitholders	19
XVII. Confidentiality, Data Processing and Professional Secrecy	19
XVIII. Term of the Fund/Subfunds, dissolution and merger	20
XIX. Calculation of the net asset value	21
XX. Allocation of income	21
XXI. Description of the main legal implications of the subscription form	21
XXII. Notices to Unitholders	21
<b>Annex 1</b>	<b>23</b>
JSS Cat Bond Fund	23
<b>Annex 2</b>	<b>28</b>
JSS Senior Loan Fund	28
<b>Annex 3</b>	<b>33</b>
JSS Sustainable Bond – Global Financials	33
<b>Annex 4</b>	<b>40</b>
JSS Senior Loan Europe	40
<b>Schedule I: Benchmark Inventory</b>	<b>45</b>

<b>Schedule II: Benchmark Disclaimers</b>	<b>46</b>
<b>Schedule III: SFDR Disclosures</b>	<b>47</b>
<b>Management Regulations</b>	<b>63</b>
Article 1: The Fund	63
Article 2: The AIFM	63
Article 3: The Depositary Bank	64
Article 4: Investment policy, investment restrictions	65
Article 5: The units	65
Article 6: Issue and redemption of units	65
Article 7: Net asset value	67
Article 8: Suspension of the calculation of the net asset value and of the issue, redemption and conversion of units	69
Article 9: Expenses of the Subfunds	70
Article 10: Accounting year and auditing	70
Article 11: Distributions	70
Article 12: Amendments to the Management Regulations	70
Article 13: Publications	70
Article 14: Term of the Fund/Subfunds, dissolution and merger	71
Article 15: Limitation period	71
Article 16: Applicable law, place of jurisdiction and contract language	71

## Issuing Document

### I. General provisions

JSS Special Investments FCP (SIF) (the “Fund”) was established on 6 September 2011 as a specialised investment fund and is governed by the 2007 Law, as amended. It has an “umbrella structure” which allows the alternative investment fund manager (the “AIFM”) to issue a large number of different subfunds (“Subfunds”) at any time. The Fund was first launched with one Subfund on 9 September 2011.

The minimum capital of the Fund is EUR 1,250,000. This amount must be reached within 12 months of the authorisation date of the Fund.

The Fund is intended exclusively for qualified investors within the meaning of Article 2 of the 2007 Law (“Unitholders”) or the equivalent thereto in accordance with local provisions applicable in the Fund’s countries of distribution.

Institutional investors, professional investors and all other investors that meet the following requirements are considered qualified investors within the meaning of Article 2 of the 2007 Law:

1. the investor has agreed in writing to be classified as a qualified investor; and
2. the investor invests at least EUR 125,000 in the Fund; or
3. the investor has a reference from a credit institution within the meaning of Directive 2006/48/EC, a securities company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC, which confirms that the investor has the expertise, the experience and the knowledge to be able to adequately assess an investment in a specialised investment fund.

The units of JSS Special Investments FCP (SIF) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). They may not be offered or sold in the USA, its territories or any area subject to its jurisdiction, or to US persons or persons who (would) purchase the units for the account of, or benefit of, US persons. Any re-offer or resale of units in the USA or to US persons may constitute a violation of the laws of the United States of America. Units of JSS Special Investments FCP (SIF) may not be subscribed by US persons.

The AIFM can at any time proceed with the compulsory redemption of the units of an investor on behalf and for the account of the Fund should these units be held by/for the account of/or on behalf of:

- US persons,
- a person who does not provide the Fund, represented by the AIFM, with the requested information and documentation that is necessary for the latter to meet its legal or supervisory requirements pursuant to (but not limited to) the FATCA and CRS regulations as described below, or
- a person who is deemed by the Fund, represented by the AIFM, to constitute a potential financial risk to the Fund.

Where the AIFM is of the opinion that a Unitholder is no longer to be regarded as a qualified investor within the meaning of the 2007 Law, qualifies as a US investor or has violated his declarations and assurances, it may demand that such a Unitholder redeem all of his units.

The Fund, including its Subfunds, qualifies as an alternative investment fund (“AIF”) within the meaning of the Law of 12 July 2013 on Alternative Investment Fund Managers (“2013 Law”).

The Fund is managed by J. Safra Sarasin Fund Management (Luxembourg) S.A., Luxembourg as AIFM. It has been authorised as such within the meaning of the 2013 Law by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (“CSSF”) and has assumed the tasks of AIFM of the Fund.

RBC Investor Services Bank S.A. acts as central administration agent.

The AIFM has entrusted various investment managers with the management of the assets. The names and responsibilities of the individual investment managers are set out in the annexes to this document. A brief description of the investment manager function is provided below in section VII. “Asset management” of this Issuing Document. Further information can be obtained from the AIFM on request.

## Issuing Document

The AIFM may decide at any time to issue units of a Subfund at a price that corresponds to the units' value on the valuation day in question. Units of a Subfund may be issued in various unit classes, which may differ from one another, in-ter alia, in terms of fee structure, distribution policy, cur-rency, investment conditions or other specific characteris-tics. Subscription, redemption and conversion orders will be accepted in conformity with the provisions of the individ-ual Subfunds (see annexes). The AIFM can suspend the is-sue of units at any time or reject applications to convert or subscribe to units without stating reasons.

### Units of the following Subfunds are currently is-sued

JSS Special Investments FCP (SIF) – JSS Cat Bond Fund (hereinafter “JSS Cat Bond Fund”)	page 23
JSS Special Investments FCP (SIF) – JSS Senior Loan Fund (hereinafter “JSS Senior Loan Fund”)	page 28
JSS Special Investments FCP (SIF) – JSS CoCo Bond Fund (hereinafter “JSS CoCo Bond Fund”)	page 33
JSS Special Investments FCP (SIF) - JSS Senior Loan Eu-rope -(hereinafter “JSS Senior Loan Europe”)	page 40

The rights and obligations of the Unitholders are limited to the assets of the Subfund(s) in which they have invested. The assets of a Subfund are exclusively liable within the scope of investors' investments in that Subfund and within the scope of the claims of creditors whose claims arose on the formation of the Subfund or in connection with the man-agement or liquidation of that Subfund. Costs borne by the Fund which cannot be allocated to a single Subfund are charged to the individual Subfunds in proportion to their net assets. No Subfund with its assets is liable for the obliga-tions of another Subfund. Each Subfund of this umbrella Fund will be treated as an independent entity with respect to the relationships of the investors among themselves. Each Subfund may be liquidated separately without this re-sulting in the liquidation of another Subfund or of the um-brella Fund.

The investment principles of the Fund are described in sec-tion II below. The investment restrictions and the other con-tractual relationships between the AIFM, the depositary bank and the Unitholder are based on the Management Regulations printed below, which have been filed with the Luxembourg Trade and Companies Register. A reference to

this filing was published on 26 September 2011 in the Mé-morial C, Recueil des Sociétés et Associations. The Man-agement Regulations were last amended on 9 May 2017. As at the date of this Issuing Document, a notice advising of the filing of these changes has not yet been published in the RESA, Recueil électronique des sociétés et associa-tions.

Investment decisions for the different Subfunds are made by the responsible investment manager under the supervi-sion, control and responsibility of the AIFM, taking into con-sideration the investment objectives and investment policy and all relevant legal and supervisory rules set out in the Issuing Document (including annexes) and in the Manage-ment Regulations.

The Fund's income is not taxed in the Grand Duchy of Lux-embourg. It may however be subject to withholding or other taxes in countries in which the assets of individual Sub-funds are invested. The depositary bank is responsible, un-der the conditions laid down in the depositary bank agree-ment, for the refund of any withheld taxes.

In accordance with the 2007 Law, in the Grand Duchy of Lux-embourg the Fund is subject to a taxe d'abonnement of 0.01% of its net assets. Under Article 68 para. 2 letter c) of the 2007 Law, certain classes of units can be exempted from the taxe d'abonnement. Under this regulation, specialised in-vestment funds whose units are reserved for (i) occupational pension schemes or similar investment vehicles that have been created by a single group to the benefit of their employ-ees and (ii) companies of that same group that invest the capital they hold to provide pension benefits to their employ-ees, are not subject to the taxe d'abonnement.

Distributions on the units are not currently subject to any withholding tax deductions in Luxembourg.

**The tax treatment of the investment depends on the per-sonal circumstances of the investor and may be subject to change in the future. Investors are advised to seek inde-pendent, professional advice on the tax considerations ap-plicable to their situation.**

**The content of the Issuing Document does not constitute any form of legal, tax or financial advice to the investor. Every recipient of this Issuing Document should therefore**



**carry out their own analysis of the applicable legal requirements and of the possible legal, tax and financial consequences of an investment in the units of a Subfund. Potential investors are referred particular to the information in Chapter IX below “Risk warnings and risk control” and in the section “Risk factors” (see annexes); however, every potential Unitholder should carry out their own evaluation of the opportunities and risk factors associated with this investment.**

#### Foreign Account Tax Compliance Act (“FATCA”)

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

As part of the process of implementing FATCA, Luxembourg has entered into a Model I Intergovernmental Agreement (“IGA”), implemented by the Luxembourg law dated 24 July 2015 which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by U.S. Specified Persons (within the meaning of the IGA) and non-U.S. financial institutions that do not comply with FATCA, if any, to the competent authorities.

Being established in Luxembourg and subject to the supervision of the CSSF in accordance with the 2007 Law, the Fund will be treated as a Foreign Financial Institution.

This status includes the obligation of the Fund to regularly obtain and verify information on all of its investors. Upon request of the Fund, each investor shall agree to provide certain information, including, in case of a Non-Financial Foreign Entity (“NFFE”), the direct or indirect owners above a certain threshold of ownership of such NFFE, along with the required supporting documentation. Similarly, each investor shall agree to actively provide to the Fund within thirty days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA and the IGA may result in the obligation for the Fund to disclose the name, address and taxpayer identification number (if available) of the investor as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities (administration des contributions directes) under the terms of the IGA. Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

Additionally, the Fund is responsible for the processing of personal data and each investor has a right to access the data communicated to the LTA and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

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

Any investor that fails to comply with the Fund’s documentation requests may be charged with any taxes imposed on the Fund attributable to such investor’s failure to provide the information and the Fund may, in its sole discretion, redeem the units of such investor.

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

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

#### Common Reporting Standard (“CRS”)

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

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States (“DAC Directive”). The adoption of the aforementioned directive implements the OECD’s

## Issuing Document

CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The Luxembourg law dated 18 December 2015 implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law (the "CRS-Law").

Under the terms of the CRS-Law, the Fund may be required to annually report to the LTA, the name, address, Member State(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an Account Holder, ii) and, in the case of a Passive NFE within the meaning of the CRS-Law, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the LTA to foreign tax authorities.

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

Additionally, the Fund is responsible for the processing of personal data and each investor has a right to access the data communicated to the LTA and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

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

Any investor that fails to comply with the Fund's documentation requests may be charged with any taxes and penalties imposed on the Fund or the Manager attributable to

such investor's failure to provide the information and the Fund may, in its sole discretion, redeem the Units of such investor.

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

### Key information documents

Until 31 December 2021, the Fund publishes key investor information documents ("UCITS KIID-like documents") pursuant to Article 161(1) of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time (the "2010 Law"). UCITS KIID-like documents are published for each retail share class in compliance with the relevant provisions of the 2010 Law and the Commission Regulation (EU) 583/2010 and will first be published in December 2017. UCITS KIID-like documents are handed over to future investors and are made available free of charge upon request at the AIFM. The Fund is therefore exempted from the obligation to produce key information documents for packaged retail and insurance-based investment products ("PRIIPs KIDs") until 31 December 2021 by analogy to Article 32 (2) of Regulation (EU) 1286/2014, as amended from time to time.

## **II. Investment principles and ESG related information**

The objective of the Fund and its Subfunds is to invest the assets of the individual Subfunds in accordance with the investment policy of each Subfund in the interests of its Unitholders. The following principles of risk spreading should be noted:

In accordance with Circular CSSF 07/309 a Subfund may not invest more than 30% of its assets in securities of a single type that are issued by a single issuer. This restriction does not apply:

- for investments in securities issued or guaranteed in an OECD member state, one of its local authorities or by any supranational institution or organisation at the EU, regional or world level.
- For the application of the restrictions described here, each Subfund of a target UCI with an umbrella structure must be regarded as an independent issuer, provided that the segregation principle is assured in relation to the liabilities to third parties of the different Subfunds.

Short selling may not result in the Subfund holding an open position in securities of a single type and a single issuer representing more than 30% of its assets.

When derivative financial instruments are used, each Subfund must guarantee appropriate risk spreading by means of the appropriate diversification of the underlying assets.

In principle, OTC transactions may only be conducted with counterparties approved by the board of directors. Where there are plans to conduct OTC transactions with a counterparty, such counterparty must have concluded an ISDA (or Swiss/German) master agreement. For this purpose, counterparty risk for OTC transactions may have to be limited in terms of the quality and qualifications of the counterparty. The default risk for transactions of a Subfund with OTC derivatives may not exceed 30% of the assets of the Subfund if the counterparty is a financial institution (provided the financial institution in question has its registered office in a member state of the European Union or, if the registered office of the financial institution is located in a country outside of the European Union, is subject to supervisory provisions, which in the opinion of the CSSF are equivalent to those of European Community law). For transactions with other counterparties the maximum default risk for OTC derivatives is reduced to 15%. For ETD transactions the aforementioned rules shall apply mutatis mutandis. Therefore it is being understood that the default risk for transactions of a Subfund in ETD derivatives may not exceed 30% of the assets of the Subfunds with a recognised Central Clearing Counterparty (“CCP”).

Unless anything contrary is stated in a Subfund specific annex, none of the Subfunds will make use of securities financing transactions (i.e. (a) repurchase transactions, (b) securities or commodities lending and commodities or securities borrowing, (c) buy-sell back transactions or sell-buy back transactions, and (d) margin lending transactions) or total return swaps subject to Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on the transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the “SFTR”).

The principles set out above apply to all Subfunds. The CSSF may, however, allow derogations from this on the basis of reasonable grounds.

Investments in other funds (UCITS/UCIs) are limited to a maximum of 10% of the net asset value of a Subfund, unless the annex of a Subfund expressly permits an additional investment in UCITS/UCIs. In such case, the above-mentioned 30% limit does not apply, provided that the target UCITS/UCIs (undertakings for collective investment) are subject to risk spreading requirements at least comparable with those of a SIF.

The investment policies of the individual Subfunds are described in more detail in the corresponding annexes to this Issuing Document. Newly launched Subfunds may deviate from the above-mentioned investment policies for a period of up to six months from the authorisation of the Subfund.

#### **Further sustainability-related disclosures**

For the purpose of the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “SFDR”), Subfunds with an explicit environmental, social and governance (“ESG”) investment strategy are classified into:

##### **1. Subfunds promoting environmental or social characteristics**

These Subfunds qualify as financial products under Art. 8(1) of the SFDR and further information can be found within the relevant Subfund specific Annex and the Schedule III “SFDR Disclosures”.

These Subfunds are:

- JSS Cat Bond Fund
- JSS Sustainable Bond – Global Financials

##### **2. Subfunds with a sustainable investment objective**

These Subfunds qualify as financial products under Art. 9(1), (2) or (3) of the SFDR.

However, currently, none of the Subfunds classifies under such category.

##### **3. Subfunds that do not promote environmental or social characteristics and/or do not have a sustainable investment objective**

These Subfunds do not promote environmental or social characteristics and / or do not have ESG investment objectives and the investments underlying these Subfunds, do

## Issuing Document

not take into account the EU criteria for environmentally sustainable economic activities which are determined by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended from time to time, (the “Taxonomy Regulation”).

These Subfunds are:

- JSS Senior Loan Fund
- JSS Senior Loan Europe

### III. Leverage

In accordance with Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (“AIFMD”), leverage is any method by which the AIFM increases the degree of investment of the Fund by borrowing, securities lending, using derivatives or by any other means. The leverage also increases the risk to the Fund. Leverage is defined as the ratio between the risk of the Fund and its net asset value.

The AIFM calculates this risk, in accordance with the statutory provisions (in particular the Delegated Regulation (EU) No. 231/2013 of the Commission supplementing Directive 2011/61/EU of the European Parliament and of the Council (“AIFM Regulation”)), using the gross method and the commitment method. The risk of the Fund calculated using the gross method is the sum of the absolute values of all positions (excluding cash and cash equivalent positions in Fund currency). For securities, the risk of a position is its absolute market value and for derivatives it is the absolute market value of the equivalent position in the underlying securities. The risk calculated using the commitment method takes into account hedging and netting agreements entered into by the AIFM.

The amount of expected leverage is shown in the annex to the relevant Subfund.

### IV. Changes to the investment principles and the investment policy

The investment principles of each Subfund shall be determined by the board of directors of the AIFM (the “Board of Directors”) and published via this Issuing Document. The Board of Directors must decide on any changes to this Issuing Document and its Management Regulations, including possible changes to the investment objectives and investment policy.

Furthermore, the adaptation of the Issuing Document requires the approval of the CSSF. The CSSF may request that the Unitholders be granted one month’s notice by means of a notice to the Unitholders; within this period the Unitholders may exercise their right to the free redemption of units if the CSSF should consider the changes to be substantial.

### V. The AIFM

In its role as AIFM, the AIFM shall carry out at least the following tasks in the management of the Subfund:

- asset management of the Subfunds; and
- risk management.

The asset management of the Subfunds shall be outsourced to investment managers under the supervision of the department of the AIFM responsible for asset management. These investment managers are listed in the relevant annex to this Issuing Document.

Risk management is carried out by the responsible department of the AIFM.

The AIFM may additionally perform the following tasks in the context of collective management, or has outsourced these tasks to other service providers:

- administrative activities;
- legal services and Fund accounting;
- customer inquiries and complaints;
- valuation of the Subfund’s assets and calculation of the net asset values including tax implications;
- monitoring compliance with legislation;
- maintaining the Fund register;
- distribution of profits;
- issue and redemption of units;
- settling subscriptions;
- maintenance and safekeeping of records;
- distribution; and
- activities in connection with the assets of the Fund.

### Remuneration policy

The AIFM has in place a remuneration policy in line with the 2013 Law.

The remuneration policy sets out principles applicable to the remuneration of senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the AIFM:

- i. it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles of the Subfunds;
- ii. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Subfunds in order to ensure that the assessment process is based on the longer-term performance of the Subfunds and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- iii. it is in line with the business strategy, objectives, values and interests of the AIFM and the Fund and of the shareholders, and includes measures to avoid conflicts of interest;
- iv. fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy is determined and reviewed at least on an annual basis by the Board of Directors of the AIFM.

The details of the up-to-date remuneration policy of the AIFM, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits are available on <http://fundmanagement-lu.jsa-frasarasin.com/internet/fmlu>. A paper copy will be made available free of charge upon request at the AIFM domicile.

#### **Benchmarks related information**

The AIFM has adopted written plans setting out actions, which it will take with respect to the relevant Subfund in the event that any of the benchmarks listed in the table in the Schedule I materially changes or ceases to be provided (the "Contingency Plans"), as required by article 28(2) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as

benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the "Benchmarks Regulation"). Shareholders may access the Contingency Plans free of charge upon request at the registered office of the AIFM.

For the avoidance of doubt, for the disclosures of the relevant Subfunds that are actively managed without replicating any benchmark but with reference to a specific benchmark in the Subfunds' specific Annex, it shall be clarified that these Subfunds are managed with reference to these benchmarks for the purposes of measuring and monitoring their performance for comparison purposes against the benchmarks. Therefore, the composition of the portfolio holdings of these Subfunds is not constrained by the composition of these benchmarks.

The benchmarks listed in the table in the Schedule I are being provided by the entity specified next to the name of the relevant benchmark in the table, in its capacity as administrator, as defined in the Benchmarks Regulation of the relevant benchmark (each a "Benchmark Administrator" and collectively the "Benchmark Administrators"). The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmarks Regulation is set out next to the name of the relevant Benchmark Administrator in Schedule I.

The list of benchmarks with respect to the relevant Subfunds including the relevant Benchmark Administrator can be found in the Schedule I to this Issuing Document.

The liability of the AIFM is based on Luxembourg law. To cover potential professional liability risks arising from the business activities, the AIFM has sufficient additional equity capital, which is appropriate to cover potential liability risks due to professional negligence.

The AIFM shall be monitored by an auditor. This task is currently performed by Deloitte Audit S.à r.l.

In addition to the Fund, the AIFM may manage other AIF.

#### **VI. Depositary bank and paying agent, registrar and transfer agent and central administration agent**

The AIFM has appointed RBC Investor Services Bank S.A. ("RBC"), having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as

## Issuing Document

depository bank and paying agent (the “Depository Bank”) of the Fund with responsibility for

- (a) custody of the assets,
- (b) monitoring obligations,
- (c) cash flow monitoring and
- (d) paying agent functions

in accordance with the 2007 Law, the 2013 Law and the depository bank and paying agent agreement dated 3 June 2014 and concluded between the AIFM and RBC (the “Depository Bank and Paying Agent Agreement”). RBC has also been appointed as registrar and transfer agent and as central administration agent.

RBC Investor Services Bank S.A. is entered in the Luxembourg Trade and Companies Register (RCS) under number B-47192 and was founded in 1994 under the name “First European Transfer Agent”. RBC has the necessary licenses to conduct banking business under the provisions of the Luxembourg law of 5 April 1993 on the financial sector and specialises in custodian services, fund accounting and related services. The estimated equity capital was EUR 1,145,212,000.- on 31 October 2021.

### (a) Custody of assets

In accordance with Luxembourg laws and regulations, the 2013 Law and the Depository Bank and Paying Agent Agreement the Depository Bank is responsible for the safe-keeping of financial instruments that can be kept in custody and for the bookkeeping and verification of the ownership of other assets.

### Delegation

Furthermore, under the 2013 Law, the Depository Bank is authorised to delegate its depository duties to sub-depositaries and to open accounts with sub-depositaries, provided that (i) such delegation is consistent with, and is subject to compliance with the conditions laid down in the applicable Luxembourg laws; and (ii) the Depository Bank shall use all customary and reasonable care and knowledge in relation to the selection, appointment, regular review and monitoring of its sub-depositaries.

### **Exemption from liability**

The Depository Bank may, under certain circumstances and in accordance with Article 19 (13) of the 2013 Law, be exempted from its liability. In the event that foreign local law

or legislation prescribes that certain financial instruments are to be held in custody by a local entity, and none of the local entities satisfies the requirements for delegation in accordance with Article 19 (11) d (ii) of the 2013 Law, the Depository Bank may nevertheless be exempt from liability, provided that certain conditions in accordance with Article 19 (14) of the 2013 Law, the Management Regulations of the Fund and the Depository Bank and Paying Agent Agreement are met.

### (b) Monitoring obligations

The Depository Bank shall, in accordance with the 2007 Law, the 2013 Law, the AIFM Regulation and the Depository Bank and Paying Agent Agreement:

- a. ensure that the sale, issue, buyback, redemption and cancellation of units of the Fund is carried out in accordance with the 2007 Law, the 2013 Law and the Management Regulations of the Fund;
- b. ensure that the value of the units of the Fund is calculated in accordance with the 2007 Law, the 2013 Law and the Management Regulations of the Fund and the requirements that are laid down in Article 19 of the 2013 Law;
- c. carry out the instructions of the AIFM provided they are not in conflict with the 2007 Law, the 2013 Law and the Management Regulations of the Fund;
- d. ensure that for transactions involving the assets of the Fund, all charges are submitted/forwarded to the Fund within the usual time limits;
- e. ensure that the income of the Fund is recorded in accordance with the 2007 Law, the 2013 Law and the Management Regulations of the Fund.

### (c) Cash flow monitoring

Under the 2013 Law, the AIFM Regulation and the Depository Bank and Paying Agent Agreement, the Depository Bank is obliged to carry out certain monitoring obligations in terms of cash flows as follows:

- i. reconcile all cash flows and perform such a reconciliation on a daily basis;
- ii. identify cash flows that in its professional judgement are significant, and in particular those which may not be consistent with the business of the Fund. The Depository shall conduct its review based on the previous day's transactions;
- iii. ensure that all bank accounts within the Fund structure are opened in the name of the Fund or in the name of the AIFM on behalf of the Fund;

- iv. ensure that the relevant banks are EU or comparable credit institutions;
- v. ensure that the funds that have been paid by the Unitholders have been received and booked into cash accounts and have then been booked into either cash accounts or third-party accounts.

(d) Paying agent

In accordance with the Depositary Bank and Paying Agent Agreement RBC also acts as paying agent for the Fund. The paying agent is responsible for accepting payments for the subscriptions of units and distributing these payments to the bank accounts of the Fund that have been opened with the Depositary Bank, and to distribute income and dividends to the Unitholders. From time to time, the paying agent shall make payments based on the income from the redemption of units.

(e) General information

The Depositary Bank and Paying Agent Agreement may be terminated with ninety (90) days' written notice to the other party at any time by either party. Notwithstanding the foregoing, the Depositary Bank and Paying Agent Agreement may also be terminated in accordance with the provisions of the Depositary Bank and Paying Agent Agreement.

The Depositary Bank must be replaced within two (2) months after the termination of the Depositary Bank and Paying Agent Agreement with a new depositary and paying agent, which shall assume the responsibility and duties of the Depositary Bank. The Depositary Bank shall, if the Depositary Bank and Paying Agent Agreement is terminated, deliver or have delivered to the following depositary and paying agent, at the cost of the Fund, all financial instruments, in physical form or by documented transfer, and cash of the Fund that it holds or that are held by the Depositary Bank, as well as any certified copies and other documents in relation thereto, which are in the possession of the Depositary Bank at the time the termination comes into effect.

The AIFM has also appointed RBC Investor Services Bank S.A. ("RBC"), having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg as registrar and transfer agent and central administration agent of the Fund pursuant to the investment fund services agreement dated 6 June 2014.

The relationship between the AIFM and the central administration agent is subject to the terms of the investment fund services agreement. Under the terms of the investment fund services agreement, the central administration agent will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the net asset value per unit, maintain the accounting records of the Fund, as well as process all subscriptions, redemptions, conversions, and transfers of shares, and register these transactions in the register of unitholders.

**VII. Asset management**

The asset management of the Subfund (portfolio management) has been outsourced to the investment managers specified in the annex to the relevant Subfund, which have supervisory approval of the supervisory authority to which they are subject.

Under the supervision, control and responsibility of the AIFM, an investment manager manages the assets and the investments of each Subfund in accordance with the investment objectives and investment policies and in compliance with legal and supervisory provisions. In doing so, the investment manager must take into account the investment objectives, investment strategy, investment policy and investment restrictions of the Subfund as described in the respective annex. With the approval of the AIFM and the CSSF, the investment manager may delegate its functions to third parties in whole or in part at its own cost. In this case, the Issuing Document will be adjusted accordingly. The department of the AIFM responsible for asset management monitors the activities of the investment manager. Organisationally and procedurally, this department is independent of the department of the AIFM which is responsible for the risk management of the Fund.

**VIII. Auditors**

The AIFM has appointed Deloitte Audit S.à r.l., with registered office in Luxembourg, as the auditor of the Fund. The auditor is appointed by the AIFM for a period of one year at a time.

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

**IX. Risk warnings and risk control**

Investment in the Subfunds involves the following risks in particular.

## Issuing Document

### a) General information

This presentation can only address general risks of an investment in a Subfund, but it cannot take into account the possible individual risks of individual investors. Investors are therefore expected and strongly advised, before investing in a Subfund, to examine all risks, specifically the general risks described in b) below and the additional risk factors of the individual Subfunds, carefully for themselves and consult their own specialist advisers in so far as necessary. Additional information concerning risk factors for a particular Subfund can be found in the relevant annex.

Investments in a Subfund can fluctuate in value, and there is no guarantee that the Subfund units can be sold for the original capital amount invested.

If the investor's reference currency is not the same as the investment currency of the Subfund or unit class, there is also an exchange rate risk.

### b) General risks

#### **Market or Investment risk (company-specific or issuer risk and political risks)**

The value of investments within a Subfund can be influenced by various factors (market trends, credit risk, etc.). There is therefore no guarantee that a Subfund's investment objective will be achieved or that investors will get back the full amount of their invested capital upon redemption of their units.

The value of the assets in which the Subfund invests can be influenced by a number of factors, including economic trends, the legal and fiscal framework and changes in investor confidence and behaviour. Furthermore, the value of bonds and equities can be affected by factors specific to an individual company or issuer, as well as general market and economic conditions. Equities of companies in growth sectors (e.g. technology) or emerging markets, and equities of small and mid caps are associated with relatively higher price risks. Corporate bonds usually carry a higher risk than government bonds. The lower the quality rating given to a debtor by a rating agency, the higher the risk. Non-rated bonds can be riskier than bonds with an investment grade rating. The value of equities may be reduced by changing economic conditions or disappointed expectations, and investors and/or the Subfund may not get back the full value of the original investment. In the case of bonds, the above-

mentioned risk factors mean there is no guarantee that all issuers will be able to meet their payment obligations in full and on time.

The value of a Subfund can also be influenced by political developments. For example, the price of a Subfund can be negatively affected by changes to laws and tax legislation, restrictions on foreign investments and restrictions on the freedom of exchange transactions in countries in which the Subfund invests.

#### **Interest rate risk**

The value of bonds is affected by changes in interest rates. This is the risk that the value of a bond may fall, so when such an investment by the Subfund is sold, its value may be lower than the original purchase price.

#### **Credit and counterparty risk**

Subfunds that enter into business relationships (including over-the-counter transactions) with third parties (borrowing, money market investments, issuers of derivatives, etc.) are exposed to counterparty risk. This is the risk that a third party may not be able to fulfil its obligations in full.

#### **Exchange rate and currency risk**

If a Subfund/unit class invests in currencies other than the accounting currency (foreign currencies), it is exposed to exchange rate risk. This is the risk that currency fluctuations may negatively impact the value of the investments. Depending on an investor's reference currency, such fluctuations can have a negative impact on the value of their investment.

#### **Liquidity risk**

Subfunds are exposed to liquidity risk if they are unable to fulfil their payment obligations on time.

At Subfund level, it is ensured that relevant liquidity management tools in place as well as redemption terms are appropriate with regards to the Subfund's investment strategy and underlying assets.

In case of insufficient portfolio liquidity or other liquidity issues, the permanent risk management function of J. Safra Sarasin Fund Management (Luxembourg) S.A. is in charge of reporting the issue to the AIFM's Management Committee which will in turn decide on appropriate corrective measures to be taken in accordance with the AIFM's Risk Policy.



**Settlement risk**

Subfunds that do business with third parties are exposed to settlement risk. This is the risk that a third party may be unable to fulfil its obligations in full and on time.

**Derivatives risk (risks associated with the use of derivative products)**

Market risks have a far greater impact on derivatives than on direct investment instruments. The value of investments in derivatives can therefore fluctuate severely. Derivatives carry not only market risk, as with traditional investments, but also a number of other risks. The additional risks to bear in mind are:

- When using derivatives, a credit risk arises if a third party does not fulfil the obligations of the derivatives contract. The credit risk of derivatives traded over-the-counter (OTC) is generally higher than in exchange-traded derivatives. When evaluating the potential credit risk of derivatives traded over-the-counter, the credit-worthiness of the counterparty must be taken into account.
- Liquidity risk can arise in derivatives if their market becomes illiquid. This is frequently the case in derivatives traded over-the-counter. Derivatives also carry valuation risk, since determining prices is often a complex process and can be influenced by subjective factors.
- Over-the-counter derivatives carry higher settlement risk.

Derivatives can also be exposed to management risk, as they do not always have a direct or parallel relationship with the value of the underlying instrument from which they are derived. As such, there can be no guarantee that the investment objective will be achieved when using derivative products.

**c) FATCA related risks**

The Fund must comply with the provisions of the FATCA, the law of the United States of America of March 2010 that came into force in the context of the US Hiring Incentives to Restore Employment Act.

FATCA rules require a reporting to the IRS (Internal Revenue Service, the federal tax authority of the United States) with information on financial institutions that do not comply with FATCA and on direct and indirect ownership or control by a US person (within the meaning of FATCA) of non-US en-

titles and of accounts held outside the USA. Failure to provide the required information can result in a withholding tax amounting to 30% on US source income (including dividends and interest) and gross income from the sale of or other dispositions concerning assets that may give rise to US source income.

Under the terms of FATCA, the Fund will be treated as a Foreign Financial Institution (within the meaning of FATCA). In order to meet the requirements of the aforementioned legislation, the Fund, represented by the AIFM or its agents, may request that Unitholders provide evidence and any information deemed necessary.

Should the Fund become subject to a withholding tax as a result of FATCA, the value of the units held by all investors may be materially affected.

The Fund and/or its Unitholders may also be indirectly affected by the fact that a non-US financial entity does not comply with FATCA regulations even if the Fund satisfies with its own FATCA obligations.

Despite anything else herein contained, the Fund, represented by the AIFM or its agents, should have the right:

- to retain any taxes or similar duties that it is legally required to withhold by law or otherwise, in respect of all units in the Fund;
- to demand that any Unitholder or persons considered to be beneficial owners of the units, or who have control over these units, immediately provide it with such personal data and documentation as the Fund, represented by the AIFM or its agents, requires, at its own discretion, in order to comply with the requirements of the law and/or to determine whether an amount should be retained;
- to disclose all information to the relevant tax or supervisory authorities as might be required by law or such authority;
- to delay payments of any dividend or redemption proceeds to a Unitholder until the Fund, represented by the AIFM or its agents, has sufficient information, to comply with applicable laws and regulations, or determine the correct amount to be withheld.

## Issuing Document

### d) CRS related risks

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

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “Standard”) and its Common Reporting Standard (the “CRS”) as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the “CRS-Law”).

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

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

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

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

Any investor that fails to comply with the Fund’s Information or documentation requests may be held liable for penalties imposed on the Fund or the Manager and attributable to such investor’s failure to provide the Information.

### **Sustainability-related risks**

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

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

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

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

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

Such assessment of the likely impact must therefore be conducted at portfolio level.

Unless otherwise specified in the Subfund specific Annexes, the Subfunds are highly diversified. Therefore, it is expected that the Subfunds will be exposed to a broad range of Sustainability Risks, which will differ from company to company. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Subfund.

Further details and specific information is given for each Subfund in the Subfunds' specific Annexes.

#### **X. Risk management**

The risk management procedure performed in accordance with the 2007 Law and the 2013 Law is designed to identify, quantify, address and monitor the risks associated with the assets and their effects on the portfolio's entire risk profile.

The department of the AIFM responsible for risk management is responsible for the identification, management and control of all individual and consolidated risks. This department assumes the risk management function of the AIFM. In order to fulfil its risk management responsibilities, in the area of risk measurement the AIFM may make use of certain third-party services that specialise in the provision of such services.

The risk management process implemented for the Fund consists of two elements: first, the organisational structure of risk management in which the permanent risk management function plays a key role, and, second, the process structure, which includes all strategies, processes, procedures and arrangements connected with the management of the investment objectives of all the Subfunds as well as the procedures associated with risk measurement and risk management.

In addition, the risk management function must ensure that the risk profile of the individual Subfunds disclosed to the

Unitholders in this Issuing Document is in accordance with the risk limits the risk management function has set, and that these risk limits are adhered to.

The risk management function reviews the risk management process at regular intervals, but at least once a year, and adapts it, if necessary.

#### **XI. Conflicts of interest**

Pursuant to the 2007 Law and the 2013 Law, organisational measures are in place to avoid any conflicts of interest.

The members of the Board of Directors of the AIFM must act solely in the best interests of the Fund and the Unitholders.

In fulfilling their duties as the AIFM, the Depositary Bank, the central administration agent and the registrar and transfer agent, the AIFM, the Depositary Bank, the central administration agent and the registrar and transfer agent are required to act solely in the best interests of the Fund and the Unitholders. They shall make and maintain effective organisational and administrative arrangements to implement all appropriate measures to identify, prevent, resolve and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and the Unitholders. Within their own operations, the AIFM, the Depositary Bank, the central administration agent and the registrar and transfer agent shall segregate tasks and responsibilities which may be regarded as incompatible with each other or which could potentially cause systematic conflicts of interest. They review whether the conditions for the exercise of their activities could result in other serious conflicts of interest and disclose them to the investors of the Fund.

Should the Board of Directors gain knowledge of a possible conflict of interest in connection with a proposed transaction, the Board of Directors will make its best efforts to resolve this conflict of interest adequately before the transaction is concluded.

As part of the outsourcing of portfolio management, the AIFM has also ensured that the investment manager has taken all reasonable steps to identify, manage and monitor potential conflicts of interest between the investment manager and the AIFM, the Fund or the investors of the Fund. It is also ensured that the investment manager discloses to

## Issuing Document

the AIFM potential conflicts of interest and the procedures and measures created to manage them.

### **XII. Liquidity management**

In accordance with the 2013 Law, the Fund has a liquidity management system.

The liquidity management system establishes procedures that allow the AIFM to monitor the liquidity risk of the Fund and to ensure that the liquidity profile of the assets is consistent with its underlying obligations. In addition, such a liquidity management system provides for regular stress testing on the basis of both normal and exceptional liquidity conditions. These stress tests are used to evaluate the liquidity risks of the Subfunds and monitor them appropriately. Appropriate liquidity management ensures that the investment strategy, liquidity profile and the redemption policy of each Subfund do not conflict with each other. Appropriate escalation measures ensure that the Subfund can manage any expected or actual liquidity shortages or other emergencies. In the event of massive demand for redemptions, the AIFM reserves the right amongst others to redeem the units at the valid redemption price only after it has sold appropriate assets without delay, while safeguarding the interests of the Unitholders.

### **XIII. Issue, redemption and conversion of units**

Units of the Subfunds may be issued in various unit classes. Units of the Subfunds may only be issued in registered form.

Ownership of registered units is evidenced by an entry in the Fund register.

Orders for the subscription or redemption of units and orders to convert from one unit class to another unit class of the same Subfund whose conditions are met by the Unitholder are accepted by the transfer agent up to 12:00 Luxembourg time on the trading day (“cut-off time”), unless otherwise specified in the annex relating to a particular Subfund. Earlier cut-off times may apply to applications placed with distributors at home and abroad in order to ensure punctual forwarding to the transfer agent. Information on these times is available at the respective distributor.

The AIFM may set different cut-off times for certain groups of investors for technical reasons. If this is the case, the cut-off times in force must always precede the time when the

applicable net asset value is determined. Different cut-off times may be agreed separately with the relevant distribution countries or distributors.

Unless provided for otherwise in the annex of a Subfund, holders of units of each Subfund are entitled to convert some or all of their units into units of another unit class issued for the same Subfund, provided they fulfil the conditions for acquiring units of that unit class.

Unless otherwise agreed in the specific appendix for the Subfund for a certain Subfund, requests from clients which usually pay after the units have been issued will also be considered when the payment is received within three (3) business days of the issue date. “Business Day” means each day other than a Saturday or Sunday on which banks in Luxembourg are open during normal business hours with the exception of individual, non-statutory holidays in Luxembourg, as well as days on which the stock exchanges/regulated markets of the Subfunds’ main investment countries are closed or if 50% or more of the Subfunds’ investments cannot be adequately valued. “Non-Statutory Holidays” are days on which banks and financial institutions are closed. Information about certain subscription periods that must be observed for subscribing for Subfunds is contained in the annex for each Subfund. The subscription order must include the exact identity and address of the investor, as well as other information and documents necessary to verify that the applicant is a qualified investor within the meaning of the 2007 Law.

The AIFM draws Unitholders’ attention to the fact that they will only be able to fully exercise their rights directly against the Fund if they have registered themselves and in their own name in the Unitholders’ register of the Fund. In cases where an investor invests in the Fund through an intermediary which makes the investment in its own name but on behalf of the investor, it may not be possible for the investor to exercise all Unitholder rights directly against the Fund. Unitholders are advised to inform themselves of their rights.

If subscription monies are transferred in currencies other than the respective accounting currency, the investor bears both the corresponding costs and the exchange rate risk linked to the currency conversion carried out by the paying agent or the Depositary Bank.

Unit subscriptions may be sent either to one of the distributors, who will forward it to the transfer agent, or directly to the transfer agent in Luxembourg.

Subscribers or Unitholders may also directly contact RBC Investor Services Bank S.A. with registered offices at 14, Porte de France, L-4360 Esch-sur-Alzette, which effectively performs either all or part of the central administration tasks.

Additional points to note:

- a. In the case of joint subscribers, all subscribers must sign the request form.
- b. In the case of several joint subscribers, the AIFM is authorised to accept conversion or redemption instructions from the first named subscriber and in the case of distribution units to pay dividends to the first named subscriber, unless written instructions to the contrary are given.
- c. A legal entity must submit its request under its own name through a person duly authorised for this purpose, providing proof of his signatory power.
- d. If any request or confirmation is signed by a proxy, the power of attorney must accompany the request.
- e. Notwithstanding (a), (b), (c) and (d), a request signed by a bank may be accepted.

The issue, redemption and conversion price of the units will be determined no earlier than the following Business Day which follows the trading day (the "Valuation Day") (forward pricing). The issue, redemption and conversion price of units is based on the net asset value at the previous day's closing prices (see Art. 7 of the Management Regulations). The calculation of the net asset value and the issue, redemption and conversion of units may be temporarily suspended by the AIFM, if and for as long as:

- a stock exchange or other regulated market on which a substantial part of the securities is traded is closed (except for weekends and ordinary holidays), or trading is severely restricted or suspended;
- owing to special circumstances, valuation of a Subfund is not economically viable in the opinion of the AIFM;
- the communication techniques used to determine the net asset values fail or have only limited usability;
- owing to special circumstances (e.g. in the case of substantial redemption or conversion orders exceeding a total volume of 10%), the liquidity of a Subfund (including the exhaustion of credit facilities) is not sufficient to fulfil orders in accordance with the provisions of the

Management Regulations and the Issuing Document. If redemption/conversion orders on any one trading day exceed 10% of the total volume, redemptions/conversions can be deferred to subsequent trading days. Such orders are then treated with priority over subsequent redemption/conversion orders at the prices applicable at the corresponding time;

- in the case of liquidation of a Subfund on or after the date of the notice to investors;
- in the event that a decision is taken to merge a Subfund or the Fund, where this is justified in order to protect the interests of the investors.

The suspension and resumption of net asset value calculation will be notified immediately to the Unitholders who have offered their units for redemption or conversion.

The AIFM will halt the calculation of net asset value and the issue of units immediately where a situation arises that leads to the dissolution of the AIFM or of a Subfund/Fund.

The AIFM is authorised to issue new units of a Subfund on a continuous basis. However, it reserves the right to suspend the issue of units temporarily or completely or to reject subscription applications without stating reasons. In such case, any payments already made will be immediately repaid without interest.

The AIFM may at its sole discretion, provided it is reconcilable with the interests of a Subfund and its investors, at the request of a Unitholder, issue units of a Subfund against contributions in kind of securities and other assets or redeem units of a Subfund in kind against delivery of securities and other assets. In the event of the issue of units, it is assumed that these securities and other assets correspond to the investment objectives and investment policies of the Subfunds as well as the provisions of the Management Regulations. In both cases the Fund auditor shall prepare a valuation report which shall be made available to all investors at the registered office of the AIFM. The costs of a contribution in kind are borne by the investor in question. Units are issued/redeemed at the relevant issue/redemption price that corresponds to the valuation amount of the contribution in kind/payment in kind established by the auditor.

## Issuing Document

The redemption price shall be paid within three (3) Business Days after the redemption deadline, unless otherwise specified in the annex relating to the Subfund in question.

Units of a Subfund can only be transferred to persons who are regarded as qualified investors within the meaning of the 2007 Law and who are not US persons within the meaning of Chapter I above. A transfer of units must be notified to the AIFM in writing by the transferor, indicating the identity and address of the acquirer. The AIFM is entitled to proceed to the compulsory redemption of all units held by a Unitholder if it is of the opinion that such units are held by a non-qualified or no-longer-qualified investor or a US person, or if the Unitholder does not fulfil or no longer fulfils any of the conditions applicable to a unit class. If moreover at a later date any of the stipulated requirements for the acquisition of a unit class ceases to be met, the AIFM may, with the consent of the investor concerned, arrange for these units to be converted into a unit class for which the investor is eligible.

The units may also be compulsorily redeemed by the AIFM, without being responsible for any profits or losses arising from such compulsory redemptions, where

- a. the investor's participation in the Fund could be significantly detrimental to the financial interests of other investors, especially if his involvement could have adverse tax implications for the Fund in Switzerland or abroad;
- b. the investors have acquired or hold their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, or of this Issuing Document;
- 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).

### **XIV. Money laundering**

The AIFM must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing, including in particular with the law of 12 November 2004 on the fight against money laundering and terrorist financing (the "AML Law"), and implementing regulations and CSSF circulars

and other applicable rules adopted from time to time. In particular, anti-money laundering and counter terrorist financing measures in force in the Grand Duchy of Luxembourg require the AIFM, on a risk sensitive basis, to establish and verify the identity of subscribers for units (as well as the identity of any intended beneficial owners of the units if they are not the subscribers and any agents (if applicable)) and to monitor the business relationship on an ongoing basis. The AIFM is further required to identify the nature and the intended purpose of the business relationship including the origin of the funds received from the subscribers.

Pursuant to articles 3 (7) and 4 (1) of the AML Law the AIFM is also required to apply precautionary measures regarding the assets of the Fund. The AIFM should assess, using its risk based approach, the extent to which the offering of its products and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system.

Subscribers for units will be required to provide to the AIFM the information and documentation set out in the subscription form, depending on their legal form (individual, corporate or other category of subscriber).

The AIFM and the registrar and transfer agent may demand additional information and documents as they see fit.

The subscriber understands and acknowledges that the AIFM, as the case may be, is subject to the obligation to file certain information on the natural persons considered as its beneficial owner as defined in the law of 12 November 2004 on the fight against money laundering and terrorist financing, in the register of beneficial owners (RBE) in Luxembourg pursuant to the law of 13 January 2019 on the register of beneficial owners. In case a subscriber is considered to be a beneficial owner of the Fund, the AIFM will thus be legally required to provide certain information concerning such subscriber to the aforementioned register of beneficial owners. The subscriber understands and acknowledges that certain information on the beneficial owners of the Fund as contained in the register of beneficial owners will be publically accessible.

The subscriber understands and acknowledges that any person considered as a beneficial owner of the Fund within the meaning of the aforementioned law is legally required

under the law of 13 January 2019 on the register of beneficial owners to provide the necessary information in this context to the AIFM.

#### **XV. Late trading and market timing**

Subscriptions and redemptions should be made exclusively for investment purposes. The AIFM does not tolerate market timing, late trading or other excessive trading practices. To prevent such trading practices, the AIFM is entitled to reject subscriptions or redemptions of units which they suspect of being performed in the context of such trading practices, without the person affected being entitled to lodge any claims in this regard whatsoever.

Moreover, the AIFM may compulsorily redeem units of an investor who engages or has engaged in such trading practices, without being responsible for any profits or losses arising from such compulsory redemptions.

#### **XVI. Rights of the Unitholders and equal treatment of Unitholders**

The rights of the Unitholders of the AIFM are in principle not affected by the possible transfer of functions of the AIFM to other companies. With the exception of non-contractual claims through fault of a company appointed by the AIFM or the auditor and legal claims against the Depositary Bank under the 2013 Law, the Unitholders have no direct rights against companies appointed by the AIFM or against the auditor. Legal claims against the Depositary Bank under the 2013 Law may not be asserted by the investors until three months after the AIFM has received a notice that legal claims will be asserted and provided that the AIFM itself has not already entered into court proceedings against the Depositary Bank for the same reasons.

The Management Regulations do not grant preferential treatment to any Unitholders. The AIFM wishes to ensure that its decision-making processes and organisational structures provide fair and equal treatment of Unitholders.

#### **XVII. Confidentiality, Data Processing and Professional Secrecy**

The Fund, the AIFM, the registrar or any other agent used by them agree to keep all information concerning the investor(s) confidential unless required to disclose such infor-

mation to third parties by applicable law or by formal instruction of the investor(s) or as further described in this section.

The AIFM has established an independent Data Protection Officer function who is inter alia in charge of the proper treatment of the investors Personal Data and investor request linked to the processing of Personal Data. The Data Protection Officer is reachable by e-mail [JSSFML\\_DPO@jsa-frasarasin.com](mailto:JSSFML_DPO@jsa-frasarasin.com) or by letter J. Safra Sarasin Fund Management (Luxembourg) S.A., Data Protection Officer, 11-13 Boulevard de la Foire, L-1528 Luxembourg.

In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("Data Protection Law"), the AIFM acting as data controller (the "Data Controller") collects stores and processes, by electronic or other means, the data supplied by the investor at the time of his/her/its investment for the purpose of fulfilling the services required by the investor and complying with its legal obligations.

The data processed may include the name, contact details (including postal and/or e-mail address), banking details, economic background of the investor and the invested amount, pictures as far as they are content of the identification documents, tax related information and the invested amount of the investor (or, if the investor is a legal person, of its contact person(s) and/or beneficial owner(s)) (the "Personal Data").

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Data Controller. In this event however the acceptance of the subscription in the Fund has to be rejected.

Personal Data supplied by the investor is processed in order to enter into and execute the subscription in the Fund, for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller. In particular, the Personal Data supplied by the investor is processed for the purposes of (i) subscribing in the Fund, (ii) maintaining the Shares register; (iii) processing investments and withdrawals of and payments of dividends to the investor; (iv) account administration and (v) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations. In addition, Personal Data may be processed for the purposes of marketing. Each investor has

## Issuing Document

the right to object to the use of his/her/its Personal Data for marketing purposes by writing to the Data Controller. In this event the Personal Data processed for Marketing Purposes will be deleted by the AIFM. The retention period for Personal Data processed for (v) is 5 years as of the end of the relationship and in cases (i) to (iv) 10 years as of the end of the relevant calendar year.

The Personal Data may also be processed by the Data Controller's data processors (the "Processors") which, in the context of the above mentioned purposes, refer to the depositary and paying agent, the central administration, domiciliary agent, registrar and transfer agent, the distributors, the auditor and the legal adviser. The Processors are located in the European Union and in Switzerland. Any transfer of Personal Data to the Processors located in Switzerland relies on the EU Commission decision 2000/518/EC of 26 July 2000 pursuant to which Switzerland is considered to offer an adequate level of protection for Personal Data.

Personal Data may also be disclosed by the central administration or by the depositary and paying agent, acting in turn as data controller, to their own data processor(s) located in Malaysia. As Malaysia do not ensure an adequate level of protection for Personal Data, the central administrator of the Fund acting also as depositary and paying agent has entered into legally binding transfer agreements with the relevant processor(s) in the form of EU Commission approved model clauses. In this respect, the investor has a right to request copies of the relevant documents for enabling the Personal Data transfer(s) towards such country by writing to the central administrator of the Fund at the following address: 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg.

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax authorities (including for compliance with the FATCA/CRS obligations). In accordance with the conditions laid down by the Data Protection Law, the investor acknowledges his/her/its right to:

- access his/her/its Personal Data;
- correct his/her/its Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her/its Personal Data;
- ask for erasure of his/her/its Personal Data;

- ask for Personal Data portability.

The investor also acknowledges the existence of his/her/its right to lodge a complaint with the National Commission for Data Protection ("CNPD").

The investor may exercise the above rights by writing to the Data Controller at the following address: 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg.

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

### **XVIII. Term of the Fund/Subfunds, dissolution and merger**

The Fund has been established for an indeterminate period. Subfunds and/or unit classes can be established for a defined period.

The dissolution of the Fund, a Subfund or a unit class is obligatory in the legally specified cases and at the end of their term in the case of Subfunds and unit classes established for a defined period.

The dissolution of the Fund, a Subfund or a unit class can also take place at any time upon the decision of the AIFM.

Where the Fund, a Subfund or a unit class is dissolved, the Unitholders are obliged to redeem all their units.

The Depositary Bank shall pay out the proceeds of liquidation, less the liquidation costs and fees, on the instruction of the AIFM or where applicable of the liquidators appointed by it or by the Depositary Bank in consultation with the relevant supervisory authority to the Unitholders by transfer to an account nominated by the latter.

In the event of the liquidation of the Fund or of a Subfund or of a unit class, the AIFM can either distribute the liquidation proceeds to the Unitholders after deduction of costs or, at the request of the Unitholders concerned, transfer the securities contained in the assets of the Subfund or unit class to them. In the latter case the AIFM is entitled to meet the costs arising in connection with the liquidation, and other claims against the Unitholders concerned, by selling assets of a Subfund or unit class.

The AIFM may further decide to merge the assets of a Subfund with another Subfund of the Fund or with the assets of another UCI. A decision for a merger of this nature taken by



the Board of Directors will be binding on the Unitholders of the relevant Subfund upon the expiry of a 30-day period after receipt of notification. During this period Unitholders may redeem their units without a redemption charge.

#### **XIX. Calculation of the net asset value**

The net asset value per unit is calculated according to the principles described in the Management Regulations and in the annexes to this document relating to the individual Subfund.

If on any given trading day the total of subscriptions or redemptions of all of a Subfund's unit classes leads to a net capital inflow or outflow, the net asset value of the Subfund in question on this trading day can be increased or reduced (single swing pricing). The maximum adjustment amounts to 3% of the net asset value. The percentage that is applicable to the individual Subfunds is determined by a committee appointed by the Board of Directors. The adjustment leads to an increase in the net asset value if the net movements lead to an increase in the number of units of the Subfund in question. This results in a reduction of the net asset value if the net movements lead to a reduction in the number of units. The Board of Directors may determine a threshold for each Subfund. This threshold may be derived from the net asset value on a trading day relative to the net assets of the Fund or an absolute amount in the currency of the respective Subfund. The net asset value would therefore not be adjusted unless this threshold is breached on any given trading day.

#### **XX. Allocation of income**

The AIFM is entitled to distribute the whole of the available income of the Subfunds, the (realised or as yet unrealised) gains or the capital, in so far as permitted under the 2007 Law and in conformity with the regulations of the individual Subfunds (see annexes).

The AIFM may at any time decide to pay interim dividends.

#### **XXI. Description of the main legal implications of the subscription form**

The Fund is a mutual fund (fonds commun de placement) organised under Luxembourg law, and is under the supervision of the CSSF. The subscription forms which a prospective investor may use to subscribe for units of the Fund are subject to Luxembourg law. Any dispute between the inves-

tors and the AIFM shall be subject to the exclusive jurisdiction of the competent court of the City of Luxembourg. As the AIFM has its registered office in Luxembourg, no further legal instruments for the recognition and enforcement of judgments of Luxembourg courts rendered against it are necessary. Should a judgment against the AIFM be imposed by a non-Luxembourg court on the basis of mandatory applicable local laws, the legislation of Regulation No. 44/2001 of the European Council of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters or the Lugano Convention of 30 October 2007 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters or Luxembourg international private law (for court rulings from other states not covered by the legislation mentioned above) are applied.

#### **XXII. Notices to Unitholders**

As stated in the Management Regulations, the annual reports are available to Unitholders free of charge at the registered office of the AIFM.

The latest net asset value per unit of an individual Subfund or where applicable per unit class and any other information is obtainable on any Valuation Day from the registered office of the AIFM.

Furthermore, Unitholders shall be informed in an appropriate manner during the year upon each change as to: (i) the percentage of the Subfunds' assets that are subject to special regulations due to their illiquid nature, (ii) any new regulations on the management of the Subfunds' liquidity, and (iii) the current risk profiles of the Subfunds and the risk management process the AIFM uses to manage these risk profiles.

The AIFM shall ensure that the information to be provided to the Unitholders in accordance with Article 21 of the 2013 Law are published or communicated to the Unitholders in an appropriate manner.

Notices to Unitholders will be made in accordance with legal provisions.

Unitholders should be aware that the Issuing Document does not have to be updated after launch, unless new units are issued to new investors at the same time.

## Issuing Document

The following documents can be inspected during normal business hours at the registered office of the AIFM:

- the Issuing Document including the Management Regulations,
- the most recent annual reports (if available).

### **AIFM:**

J. Safra Sarasin Fund Management (Luxembourg) S.A.  
11-13, Boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

### Board of Directors of the AIFM:

Chairman:

Jules Moor, Luxembourg, Grand Duchy of Luxembourg,  
Managing Director, Banque J. Safra Sarasin (Luxembourg)  
S.A.

### Members of the Board of Directors:

Michaela Imwinkelried, Basel, Switzerland, Managing Director, J. Safra Sarasin Investmentfonds AG

Oliver Cartade, London, United Kingdom, Head of Asset Management, Banque J. Safra Sarasin AG, Basel, Switzerland

Jan Stig Rasmussen, Luxembourg, Grand Duchy of Luxembourg, independent director

Leonardo Mattos, Luxembourg, Grand Duchy of Luxembourg, J. Safra Sarasin Fund Management (Luxembourg) S.A.

### Management of the AIFM:

Leonardo Mattos, Luxembourg, Grand Duchy of Luxembourg

Ronnie Neefs, Luxembourg, Grand Duchy of Luxembourg

Valter Rinaldi, Basel, Switzerland

### Depository Bank and paying agent, registrar and transfer agent, and central administration agent in Luxembourg:

RBC Investor Services Bank S.A.

14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### Legal advisor in Luxembourg:

Arendt & Medernach, Société Anonyme

41A, avenue J.F. Kennedy  
L-2082 Luxembourg  
Grand Duchy of Luxembourg

### Auditor in Luxembourg:

Deloitte Audit, Société à responsabilité limitée

20 Boulevard de Kockelscheuer  
L-1821 Luxembourg  
Grand Duchy of Luxembourg

**Annex 1**

to the Issuing Document of JSS Special Investments FCP (SIF)

in respect of the Subfund

**JSS Cat Bond Fund****General information**

Units of the JSS Cat Bond Fund were first issued on 9 March 2012.

**Investment policy**

The assets of the Subfund are invested worldwide in all types of insurance-linked securities (ILS) denominated in any currency that are traded on a stock exchange or other regulated market open to the public or over the counter (OTC).

Investments can be made directly or indirectly through other collective investment schemes (UCITS/UCI). The Subfund may also hold any quantity of money market instruments and liquidity.

Insurance-linked securities are securities whose value depends on the occurrence and payment of insurance events (e.g. natural disasters, explosions and fire disasters, excess mortality and similar rare insurance events). An insurance event can be described as an event that occurs at a specific time, at a specific location, in a specific way, and which triggers insurance payments. These insurance events must always be specified and documented.

Insurance-linked securities may be issued, inter alia, as bonds, structured notes, derivatives or preference shares.

The Subfund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Subfund under the SFDR investors are referred to Schedule III "SFDR Disclosures".

For the purposes of investment, hedging and efficient management of the Subfund assets, the Subfund may use derivative financial instruments that are traded on a stock exchange or other regulated market open to the public or OTC. These include, amongst others, futures, forwards, swaps,

credit default swaps and credit linked notes for the management of currency, interest-rate and credit risks.

The Subfund will be actively managed without replicating any benchmark. The Subfund will be managed without reference to any benchmark.

The reference currency of the Subfund is USD.

**Investment restrictions**

In addition to the investment guidelines set out in Chapter II in the Issuing Document under "Investment principles", the following restrictions apply for the Subfund:

The Subfund does not invest in real estate, commodities or precious metals.

Short-selling of securities or money market instruments is not permitted.

The Subfund may not invest more than 30% of its net assets in investments from the same issuer.

The total investments per insurance event must not exceed more than 50% of the Subfund's net assets.

**Securities lending and repurchase agreements**

The Subfund does not engage in securities lending and does not enter into any repurchase agreements.

**Borrowing and lending**

The AIFM is not permitted to grant loans for the account of the Subfund.

The Subfund can take out loans on a temporary basis for up to a maximum of 10% of the Subfund's net assets.

**Leverage**

In accordance with the AIFMD, leverage is any method by which the AIFM increases the degree of investment of the Subfund by borrowing, securities lending, using derivatives or by any other means. The leverage also increases the risk to the Subfund. Leverage is defined as the ratio between the risk of the Subfund and its net asset value.

The AIFM calculates this risk, in accordance with the statutory provisions (in particular the AIFM Directive), using the gross method and the commitment method. The risk of the

## Annex 1

Subfund calculated using the gross method is the sum of the absolute values of all positions (excluding cash and cash equivalent positions in Subfund currency). For securities, the risk of a position is its absolute market value and for derivatives it is the absolute market value of the equivalent position in the underlying securities. The risk calculated using the commitment method takes into account hedging and netting agreements entered into by the AIFM.

The leverage of the Subfund using the gross method shall not exceed 340%.

The leverage of the Subfund using the commitment method shall not exceed 120%.

### **Risk factors**

In addition to the risk warnings stated in Chapter IX of the Issuing Document, the following applies to the Subfund:

#### Limited market size:

The market for ILS is not very large. The total market size limits the volume of the Subfund due to the investment restrictions.

#### Event risk:

The event risk is the possibility of an insurance event occurring which exceeds a fixed loss level for the insurance industry or the sponsor. Examples of such insurance events include earthquakes in California and Japan, windstorms in Europe, earthquakes in New Zealand, hurricanes in Florida, extreme temperatures and typhoons in Japan.

If an insurance event occurs (for example, an earthquake in Japan) and the contractually defined thresholds are exceeded, this reduces the value of an individual investment up to a total loss.

#### Currency risk:

In addition, if the investor's reference currency differs from the investment currency of the unit class, a currency risk exists.

#### Liquidity risk:

Certain segments of the Cat Bond market might become less liquid under stressed conditions.

The Subfund's liquidity management tools in place as well as its dealing frequency arrangements are appropriate with regards to its investment strategy and underlying assets.

Debt Securities Issued Pursuant to Rule 144A under the US Securities Act of 1933: Subfunds may also invest in debt securities of corporations issued under Rule 144A under the US Securities Act of 1933. SEC Rule 144A provides a safe harbor exemption from the registration requirements of the US Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for investors is potentially higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extremes conditions, decrease the liquidity of a particular rule 144A security.

#### Sustainability Risks

The Subfund will be exposed to some Sustainability Risks, which will differ from investment to investment.

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

In addition, the risk of loss of investment in ILS, including cat bonds, is directly related to the specific contractual coverage provided and defined loss trigger, e.g. a natural catastrophe such as a named windstorm. Therefore for natural peril-region focused instruments, potential impact of events stemming from the environmental pillar are generally likely to be the most significant. The investment manager's approach also considers seniority of the instrument, potential climate change impact to the peril-regions being covered, types of business being covered, and the sponsor's approach to risk mitigation. The investment manager believes that ILS carry minimal social or governance risks.

Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent potential or actual material risks to maximizing the long-term risk-adjusted returns.

Portfolio investment decisions consider Sustainability Risks through integrating the investment manager's ESG risk assessment in the assessment of the risk-return profile of each potential investment. The ESG risk-assessment ex-

explicitly assesses the current ESG risks challenging the sustainable value of an investment, relative to others within the Subfund's investment universe. The assessment comprises analyses of risks grouped under each of the environmental, social and governance pillars.

For certain analysis components, where for example the investment manager is lacking necessary data, it supplements internal work with data provided by specialist ESG data and analysis provider. The investment manager uses commercially reasonable endeavours, using available data, to complete its assessments.

Should one or more Sustainability Risks materialise, the value of the affected investments may reduce, thus negatively impacting the Subfund's returns.

#### **Investment Manager**

Twelve Capital AG  
Dufourstrasse 101  
CH-8008 Zurich

Within the investment management process, the investment manager may be assisted by entities belonging to the same group of entities in accordance with the non-objection to such assistance which has been expressed by the CSSF, it being understood, however, that the full responsibility for any investment decisions shall remain with the investment manager at any time.

Bank J. Safra Sarasin AG  
Elisabethenstrasse 62  
CH-4002 Basel

The role of the bank J. Safra Sarasin AG as investment manager is limited to hedging the portfolio against currency fluctuations relative to the reference currency of the unit classes denominated in CHF and EUR.

#### **Unit classes**

The Subfund is divided into the following unit classes:

"P USD-acc", "P CHF-acc hedged", "P EUR-acc hedged"  
"P USD dist"

"I USD-acc", "I CHF-acc hedged", "I EUR-acc hedged"  
"I USD dist"

"M USD-acc"

"C USD acc", "C EUR acc hedged", "C CHF acc hedged"  
"C USD dist".

The AIFM can also approve individual unit classes or all of the above-mentioned unit classes for subscription at any time. Upon request the AIFM will provide information on active unit classes.

The unit classes with the suffix "P" are reserved for "other well-informed investors" within the meaning of Art. 2 of the 2007 Law. This includes investors who declare that they are well-informed investors and also hold either a minimum investment of EUR 125,000 in the Subfund or provide confirmation of their expertise from a financial institution, an investment firm or a UCITS management company.

The unit classes with the suffix "I" are reserved for institutional and professional investors and other well-informed investors within the meaning of Art. 2 of the 2007 Law.

The unit class with the suffix "M" is reserved for institutional and professional investors within the meaning of Art. 2 of the 2007 Law who hold an asset management mandate with Bank J. Safra Sarasin AG or have signed a special agreement for investment in Subfunds of this umbrella Fund with Bank J. Safra Sarasin AG, Basel, or one of its subsidiaries.

The unit classes with the suffix "C" are reserved for financial intermediaries subscribing on behalf of institutional, professional or other well-informed investors within the meaning of Art. 2 of the 2007 Law domiciled or serviced in the European Economic Area (EEA), the United Kingdom and Gibraltar as well as for investors and financial intermediaries outside the EEA subscribing on the basis of a discretionary portfolio management or advisory mandate, provided a written agreement with the AIFM or the distributors is in place.

#### **Issue, redemption and conversion of units**

Subfund units are issued every Friday (Trading Day), provided it is a Business Day in Luxembourg. Subscription orders must be received by the transfer agent in Luxembourg no later than 12:00 (noon) on the Trading Day. Subscription orders that are not received by this point will be calculated at the next Trading Day.

## Annex 1

Subfund units are redeemed every Friday (Trading Day), provided it is a Business Day in Luxembourg. Redemption orders must be received by the transfer agent at the latest ten (10) Business Days before 12:00 (noon) on the Trading Day. Redemption orders that are not received by this point will be calculated at the next Trading Day. The aforementioned deadlines shall not apply to conversion orders which only affect the change of unit classes within the Subfund.

The AIFM may suspend redemption orders in exceptional circumstances, such as a major insurance event, general market distortions or if the total redemption orders on a particular Trading Day exceed 10% of the Subfund's net assets. The AIFM shall endeavour to ensure that redemption orders are not suspended for more than thirty (30) Luxembourg Business Days after the Trading Day on which the exceptional circumstances occurred. The provisions of Article 8 of the Management Regulations also apply.

### Calculation of the net asset value

The price of the units (net asset value) on the basis of which units are issued and redeemed will be determined no earlier than the Valuation Day which follows the Trading Day (forward pricing). The issue and redemption price of the units is based on the net asset value calculated on the value day on the basis of the Trading Day's closing prices.

The net asset value is also calculated for the last Business Day of each month. This is not Trading Day, unless this day is a Friday.

A Subfund's net asset value will not be calculated for days when the stock exchanges or markets in that Subfund's main investment countries are closed (e.g. bank and stock exchange holidays) or for other reasons a substantial portion of the investments of the Subfund cannot be valued. Furthermore the net asset value will not be calculated on specific national holidays of countries, where the investment managers are located and services are being provided.

### Trading Day

Each day banks are open for business in Luxembourg, Switzerland and the United Kingdom.

### Hedging of currency risk

The investment manager shall endeavour largely to hedge currency risks relative to the reference currency of the unit classes concerned. It cannot be ruled out, however, that currency fluctuations will nevertheless have an adverse impact on the Subfund.

### Distributions to Unitholders

No distributions shall be made to Unitholders of unit classes with the suffix "acc". Income is instead continuously re-invested (accumulation).

### Minimum initial investment

EUR 125,000 (or equivalent in CHF or USD) for unit classes "P" and "C".

USD/CHF/EUR 1,000,000 for unit class "I" which may be waived at the discretion of the Board of Directors.

None for unit class "M".

### Initial issue price

USD/CHF/EUR 1,000 per unit.

### Sales fee

Upon subscription of unit classes "P" and "C", the AIFM may charge a sales fee in its own favour of up to 3% of the subscribed capital amount.

Upon subscription of unit classes "I" and "M", the AIFM will not charge a sales fee in its own favour.

### Redemption fee

Upon redemption of unit classes "P" and "C", the AIFM may charge a redemption fee in its own favour of up to 1% of the net asset value.

Upon redemption of unit classes "I" and "M", the AIFM will not charge a redemption fee in its own favour.

### Fees

#### Fees payable to the AIFM

#### Management fee

The Subfund pays the AIFM a Management fee in the following amount:

- unit class "P": max. 1.75% p.a.
- unit class "I": max. 1.25% p.a.
- unit class "M": max. 0.20% p.a.
- unit class "C": max. 1.50% p.a.

The Management fee is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable to the Depositary Bank**

The Depositary Bank's fee is agreed between the AIFM and the Depositary Bank from time to time in accordance with Luxembourg market practice. It is a maximum of 0.10% p.a. and is charged directly to the Subfund. The fee actually paid is stated in the annual reports of the Fund.

**Central administrator's commission**

The fee of the central administration agent is agreed between the AIFM and the central administration agent from time to time in accordance with Luxembourg market practice. It is a maximum of 0.12% p.a. and is charged directly to the Subfund. The fee paid is stated in the annual reports of the Fund.

The fees listed above are net amounts and do not include any value-added tax.

**Taxe d'abonnement**

0.01% p.a. on all unit classes.

In addition the Subfund is charged for the costs of its launch which are amortised over five (5) years.

For further costs accruing to the Subfund, please see Article 9 of the Management Regulations.

## Annex 2

### Annex 2

to the Issuing Document of JSS Special Investments FCP (SIF)

in respect of the Subfund

#### JSS Senior Loan Fund

#### General information

Units of JSS Senior Loan Fund were first issued on 7 October 2015.

#### Investment policy

The main investment objective of the Subfund is to seek attractive current income and principal preservation. The Subfund will focus on investing in U.S. dollar denominated senior secured corporate loans<sup>1</sup> of U.S., Canadian, U.K. and continental European companies in the primary and secondary markets that offer attractive risk-adjusted returns. The Subfund may also hold any quantity of money market instruments and liquidity.

For the purposes of investment, hedging and efficient management of the Subfund's assets, the Subfund may use derivative financial instruments that are traded on a stock exchange or other regulated market open to the public or over the counter (OTC). These include, amongst others, futures, forwards, swaps, credit default swaps and credit linked notes for the management of currency, interest-rate and credit risks.

The Subfund is actively managed without replicating any benchmark. However, the Subfund is managed with reference to CS Leveraged Loan Index (the "Benchmark").

Generally, the majority of the positions within the Subfund are constituents of the Benchmark. In order to exploit specific investment opportunities the investment manager may discretionarily select securities not included in the Benchmark.

The holdings and their weightings in the Subfund's portfolio will diverge from the weightings of the securities included in the Benchmark.

The reference currency of the Subfund is the USD.

#### Investment restrictions

In addition to the investment guidelines set out in Chapter II "Investment principles" of the Issuing Document, the following restrictions also apply to the Subfund:

The Subfund does not invest directly or indirectly in physical real estate, commodities or precious metals.

Short-selling of securities or money market instruments is not permitted.

The Subfund may not invest more than 30% of its net assets in debt obligations of the same borrower.

#### Securities lending and repurchase agreements

The Subfund does not engage in securities lending and does not enter into repurchase agreements.

#### Borrowing and lending

The AIFM is not permitted to grant loans for the account of the Subfund.

The Subfund may borrow money temporarily in an amount up to 10% of the Subfund's net assets. Such borrowing will be used primarily to cover redemption requests. Borrowing will generally not be used to create investment leverage.

#### Leverage

In accordance with the AIFMD, leverage is any method by which the AIFM increases the degree of investment of the Subfund by borrowing, securities lending, using derivatives or by any other means. The leverage also increases the risk for the Subfund. Leverage represents the ratio between the risk of the Subfund and its net asset value.

The AIFM calculates this risk, in accordance with the statutory provisions (in particular the AIFM Directive), using the gross method and the commitment method. The risk of the Subfund calculated using the gross method is the sum of the absolute values of all positions (excluding cash and cash equivalent positions in Subfund currency). For securities, the risk of a position is its absolute market value and

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<sup>1</sup>A senior secured loan is defined as a debt obligation assumed by a company or individual (a borrower) which contractually ranks ahead of some or all other debt obligations of that borrower and is secured by some or all of the borrower's assets. The loan is considered senior to all other

contractual claims against the borrower, which means that in the event of a bankruptcy the senior secured loan should be the first to be repaid, before all other interested parties (other than those preferred by law) receive repayment.



for derivatives it is the absolute market value of the equivalent position in the underlying securities. The risk calculated using the commitment method takes into account hedging and netting agreements entered into by the AIFM.

The leverage of the Subfund using the gross method shall not exceed 400%.

The leverage of the Subfund using the commitment method shall not exceed 120%.

### **Risk factors**

In addition to the risk warnings stated in Chapter IX of the Issuing Document, the following applies to the Subfund:

Investments in a subfund can fluctuate in value, and there is no guarantee that the units can be sold for the original capital amount invested.

For unit classes with “hedged” in the name which are denominated in a currency other than the accounting currency of the Subfund, currency transactions and currency futures contracts are entered into in order to largely hedge the net asset value of the Subfund calculated in the accounting currency against the net asset value of the other unit classes denominated in other currencies. If the reference currency of a unit class corresponds to the accounting currency of the Subfund, the addition of 'hedged' means that the currency risks of the investments are largely hedged against the reference currency. However, the possibility of currency fluctuations working to the disadvantage of the corresponding unit classes of the individual Subfund cannot be ruled out.

#### Credit risk:

One of the fundamental risks associated with the Subfund's investments is credit risk, which is the risk that a borrower will be unable to make principal and interest payments on its outstanding debt obligations when due or otherwise will default on its obligations to the Subfund and/or that the guarantors or other sources of credit support for such persons will not satisfy their obligations. Further, loans may become non-performing for a variety of reasons. Non-performing debt obligations may require substantial workout negotiations, restructuring or bankruptcy filings, all of which may entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the

debt to equity. The assets of the Subfund's portfolio may include first lien senior secured debt, and may also include selected second lien senior secured debt, which involves a higher degree of risk of a loss of capital.

#### Counterparty risk:

Some of the markets in which the Subfund may effect transactions are “over-the-counter” or “inter-dealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets.

#### Liquidity risk:

Loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Historically the trading volume in the loan market has been small relative to the high-yield debt securities market.

Senior loans of Subfund's portfolio might become less liquid under stressed market conditions.

The Subfund's liquidity management tools in place as well as its dealing frequency arrangements are appropriate with regards to its investment strategy and underlying assets.

#### Pricing and valuation risk:

If market conditions make it difficult to value some investments, the Subfund may value these investments using more subjective methods, such as fair value pricing. In such cases the value determined for an investment could be different than the value realised upon such investment's sale. Secondary markets may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may prevent the Subfund from being able to realise full value and thus sell a security for its full valuation. This could cause a material decline in the Subfund's net asset value.

#### Volatility:

Prices of the exposures may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors.

#### Sustainability risks:

## Annex 2

The Subfund does not promote ESG characteristics (as defined in section II. above) and does not maximize portfolio alignment with ESG characteristics; however, it remains exposed to Sustainability Risks (as defined in section IX. above). Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

This Subfund is highly diversified. Therefore, it is expected that the Subfund will be exposed to a broad range of Sustainability Risks, which will differ from company to company. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Subfund.

For the specific categorisation of the Subfund under the Taxonomy Regulation and the relevant Subfund's statement thereunder investors are referred to section II. above.

### Investment Manager

J. Safra Sarasin Asset Management (Europe) Ltd.  
47 Berkeley Square, 4th Floor  
London, W1J 5AU  
UNITED KINGDOM

### Sub-investment manager

CIFC Asset Management LLC  
875 Third Avenue, 24th floor  
New York, NY 10022  
UNITED STATES

### Unit classes

The Subfund is divided into the following unit classes:

“P USD acc”, “P CHF acc hedged”, “P EUR acc hedged”  
“P USD dist”, “P CHF dist hedged”, “P EUR dist hedged”  
“I USD acc”, “I CHF acc hedged”, “I EUR acc hedged”, “I USD (BRL hedged) acc”  
“I USD dist”, “I CHF dist hedged”, “I EUR dist hedged”, “I USD (BRL hedged) dist”  
“F USD dist”  
“C USD acc”, “C EUR acc hedged”, “C CHF acc hedged”  
“C USD dist”, “C EUR dist hedged”, “C CHF dist hedged”.

The AIFM can also approve individual unit classes or all of the above-mentioned unit classes for subscription at any time. Upon request the AIFM will provide information on active unit classes.

The unit classes with the suffix “P” are reserved for “other well-informed investors” within the meaning of Art. 2 of the 2007 Law. These are investors who declare themselves to be well-informed investors and furthermore either have invested a minimum of EUR 125,000 in the Subfund or present confirmation of their expertise issued by a financial institution, an investment firm or a UCITS fund management company.

The unit classes with the suffix “I” are reserved for institutional and professional investors and other well-informed investors within the meaning of Art. 2 of the 2007 Law.

The unit classes with the suffix “F” are reserved for collective investment schemes that are managed directly or indirectly by the AIFM 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”).

The unit classes with the suffix “C” are reserved for financial intermediaries subscribing on behalf of institutional, professional or other well-informed investors within the meaning of Art. 2 of the 2007 Law domiciled or serviced in the European Economic Area (EEA), the United Kingdom and Gibraltar as well as for investors and financial intermediaries outside the EEA subscribing on the basis of a discretionary portfolio management or advisory mandate, provided a written agreement with the AIFM or the distributors is in place.

For unit classes with “USD (BRL hedged)” in the name the AIFM intends to limit the unitholder's currency risk by reducing the effect of exchange rate fluctuations between the BRL and the USD. The settlement currency for subscriptions and redemptions relating to the “USD (BRL hedged)” unit classes is the USD. In accordance with the terms of the issuing document, the Net Asset Value of the “USD (BRL hedged)” unit classes shall be published in USD.

### Issue, redemption and conversion of units

Subfund units are issued, converted and redeemed on the first and third Wednesday of each month (the “Trading

Day”) that is a Business Day in Luxembourg. If such day is not a Business Day the Trading Day is postponed to the immediate subsequent Business Day.

Subscription, conversion and redemption orders must be received by the transfer agent in Luxembourg at the latest five (5) Business Days before 12:00 (noon) CET on the Trading Day. Subscription, conversion and redemption orders which do not arrive by this time are settled on the next Trading Day.

Subscription payments have to be made in the currency of the relevant unit classes within three (3) Business Days from the relevant Valuation Day.

Redemption payments are ordinarily made in the currency of the relevant unit classes within fifteen (15) Business Days from the relevant Valuation Day, under exceptional circumstances it may even take longer.

In the event that on any Trading Day more than 10% (ten per cent) of the total outstanding Units of the Subfund are tendered for redemption, the AIFM may refuse to effect all of the redemption request concerned in full. In such circumstances all of the relevant redemption requests may be effected on a pro-rata basis, if necessary, on each successive Valuation Day, until the outstanding redemption requests are discharged in full. Such deferred redemption requests will have priority over subsequent redemption requests.

#### **Calculation of the net asset value**

The net asset value per unit of each class will be determined in the relevant currency on each Business Day. The subscription and redemption price of the units (net asset value) will be determined no earlier than the Valuation Day which follows the Trading Day (forward pricing). The issue and redemption price of units is based on the net asset value calculated on the Valuation Day at the Trading Day’s closing prices.

In addition, the net asset value for the last Business Day of the month is calculated. This is not a Trading Day.

Furthermore the net asset value will not be calculated on specific national holidays of countries, where the investment managers are located and services are being provided.

#### **Trading Day**

Each day banks are open for business in Luxembourg, the United Kingdom and the United States of America.

#### **Distributions to Unitholders**

The net income received (particularly coupons) shall be distributed to Unitholders of the unit classes with the suffix “dist” at least once per year after deduction of fees, charges and taxes, pro rata to their interest in the unit class of the Subfund. Capital gains realised on the sale of assets and rights shall normally be retained for reinvestment. However, the AIFM may also decide to distribute these.

No distributions shall be made to Unitholders of unit classes with the suffix “acc”. The income shall instead be continually reinvested (accumulated).

#### **Minimum initial investment**

EUR 125,000 (or equivalent in CHF or USD) for unit classes “P” and “C”.

USD/CHF/EUR 1,000,000 for unit class “I” which may be waived at the discretion of the Board of Directors.

None for unit class “F”.

#### **Initial issue price**

EUR/CHF/USD 1000 per unit.

#### **Sales fee**

Upon subscription of unit classes “P” and “C”, the AIFM may charge a sales fee in its own favour of up to 3% of the subscribed capital amount.

Upon subscription if unit classes “I” and “F”, the AIFM will not charge sales fee in its own favour.

#### **Redemption fee**

Upon redemption of unit classes “P” and “C”, the AIFM may charge a redemption fee in its own favour of up to 1% of the net asset value.

Upon redemption of unit classes “I” and “F”, the AIFM will not charge redemption fee in its own favour.

#### **Fees**

##### **Fees payable to the AIFM**

##### Management fee

## Annex 2

The Subfund pays the AIFM a Management fee in the following amount:

- unit class “P”: max. 1.40% p.a.
- unit class “I”: max. 1.00% p.a.
- unit class “F”: max. 0.85% p.a.
- unit class “C”: max. 1.20% p.a.

The Management fee is based on the net asset value calculated on every Valuation Day and is payable quarterly in arrears.

### **Fees payable to the Depository Bank**

The Depository Bank’s fee is agreed between the AIFM and the Depository Bank from time to time in accordance with Luxembourg market practice. It is subject to a maximum of 0.10% p.a. and is charged directly to the Subfund. The fee actually paid is stated in the annual reports of the Fund.

### **Central administrator’s commission**

The fee of the central administration agent is agreed between the AIFM and the central administration agent from time to time in accordance with Luxembourg market practice. It is subject to a maximum of 0.12% p.a. and is charged directly to the Subfund. The fee paid is stated in the annual reports of the Fund.

The charges and fees mentioned above are net amounts excluding any value added tax that may be due.

### **Taxe d’abonnement**

0.01% p.a. on all unit classes.

In addition the Subfund is charged for the costs of its launch which are amortised over five (5) years.

For further information about the charges applicable to the Subfund, refer to Article 9 of the Management Regulations.

### Annex 3

to the Issuing Document of JSS Special Investments FCP (SIF)

in respect of the Subfund

#### JSS Sustainable Bond – Global Financials

##### General information

Units of JSS CoCo Bond Fund were first issued on 26 November 2019. As from 15 November 2021 the name of the Subfund was changed to JSS Sustainable Bond – Global Financials

##### Investment policy

The Subfund invests mainly in contingent convertible bonds (“CoCo”), other hybrid securities, preferred shares, structured notes, equity linked instruments and other subordinated debt of companies in the global financial services sector denominated in USD, GBP, EUR or CHF. Non-USD investments are largely hedged against the USD. This also includes investments in emerging markets. Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.

Ordinary shares received in the course of debt restructurings, exchanges, conversions or exercise of options and warrants must be sold as soon as possible while safeguarding investors' interest.

CoCo are going-concern fixed-income securities with a hybrid character, which are issued as bonds with fixed coupon payments, but which upon a trigger event or the decision by the relevant regulatory authority are mandatorily converted into company shares or written down (permanently or temporarily), provided that respective trigger events are set out in the issuing terms of the CoCo.

The Subfund may also invests in bonds, notes, convertible bonds, bonds with warrants and other fixed or variable-rate debt securities (including bonds issued on a discount basis).

Investments can be made directly or indirectly through other collective investment schemes (UCITS/UCI).

In addition, the Subfund may also hold on an ancillary basis money market instruments and liquidity.

For the purposes of investment, hedging and efficient management of the Subfund's assets, the Subfund may use derivative financial instruments that are traded on a stock exchange or other regulated market open to the public or over the counter (OTC). These include, amongst others, futures, forwards, swaps, credit default swaps, total return swaps and credit linked notes for the management of currency, interest-rate and credit risks.

The Subfund is actively managed without replicating any benchmark. The Subfund is managed without reference to any benchmark.

The reference currency of the Subfund is the USD.

The Subfund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Subfund under the SFDR, investors are referred to Schedule III “SFDR Disclosures”.

##### Investment restrictions

In addition to the investment guidelines set out in Chapter II in the Issuing Document under “Investment principles”, the following restrictions apply for the Subfund:

The Subfund does not invest in real estate, commodities or precious metals.

Short-selling of securities or money market instruments is not permitted.

Due to the exercise of conversion and subscription rights or options and warrants, the Subfund may temporarily hold up to 10% of the Subfund's net assets in ordinary shares.

##### Securities lending and repurchase agreements

The Subfund does not engage in securities lending and does not enter into any repurchase agreements.

##### Borrowing and lending

The AIFM is not permitted to grant loans for the account of the Subfund. Securities lending is not considered to be a loan.

The Subfund may borrow money temporarily in an amount up to 10% of the Subfund's net assets. Such borrowing will be used primarily to cover redemption requests. Borrowing will generally not be used to create investment leverage.

##### Leverage

## Annex 3

In accordance with the AIFMD, leverage is any method by which the AIFM increases the degree of investment of the Subfund by borrowing, securities lending, using derivatives or by any other means. The leverage also increases the risk to the Subfund. Leverage is defined as the ratio between the risk of the Subfund and its net asset value.

The AIFM calculates this risk, in accordance with the statutory provisions (in particular the AIFM Directive), using the gross method and the commitment method. The risk of the Fund calculated using the gross method is the sum of the absolute values of all positions (excluding cash and cash equivalent positions in Fund currency). For securities, the risk of a position is its absolute market value and for derivatives it is the absolute market value of the equivalent position in the underlying securities. The risk calculated using the commitment method takes into account hedging and netting agreements entered into by the AIFM.

Until 14 August 2022: The leverage of the Subfund using the gross method shall not exceed 300%.

As from 15 August 2022: The leverage of the Subfund using the gross method shall not exceed 450% of the NAV.

The leverage of the Subfund using the commitment method shall not exceed 250%.

### **Risk factors**

In addition to the risk warnings stated in Chapter IX of the Issuing Document, the following applies to the Subfund:

Investments in a Subfund can fluctuate in value, and there is no guarantee that the units can be sold for the original capital amount invested.

For unit classes with 'hedged' in the name which are denominated in a currency other than the accounting currency of the Subfund, currency transactions and currency futures contracts are entered into in order to largely hedge the net asset value of the Subfund calculated in the accounting currency against the net asset value of the other unit classes denominated in other currencies. However, the possibility of currency fluctuations working to the disadvantage of the corresponding unit classes of the individual Subfund cannot be ruled out.

### Credit risk:

Subordinated debt securities are typically subject to greater market fluctuations and greater risk of loss of income and principal than lower yielding senior debt securities.

### Contingent Convertible Bonds ("CoCo") risks:

Most CoCo are issued as perpetual instruments which are callable at pre-determined dates. Perpetual CoCo may not be called on the predefined call date and investors may not receive return of principal on the call date or at any date. There are no widely accepted standards for valuing CoCo. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale. In certain circumstances finding a ready buyer for CoCo may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

There are potential risks to investing in CoCo which include the following:

**Trigger level risk:** CoCo which qualify as AT1 can be converted in CoCo qualifying as CET1 if certain levels are triggered. As a result, CoCo which qualify as AT1 de facto carry an equity risk. The amount of CET1 varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.

**Coupon risk:** While all CoCo (AT1 and T2) are subject to conversion or write down when the issuing bank reaches the trigger level, for AT1s there is an additional source of risk for the investor in the form of coupon cancellation or reduction in a going concern situation. Coupon payments on AT1 instruments are indeed entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. Coupon payments may also be automatically restricted if the bank has not an appropriate level of distributable items as calculated by the relevant regulatory authority. The cancellation or the restriction of coupon payments on AT1 CoCo does not amount to an event of default. Cancelled or restricted payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 instruments and may lead to mispricing of risk.

Perhaps most challenging to investors, given the required absence of dividend stoppers/pushers in certain jurisdictions (particularly in European Union and in Switzerland), the AT1 holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

**Capital structure inversion risk:** Contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCo will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down CoCo is activated.

This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger T2 CoCo may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity. In case of a permanent write-down, CoCo investors may also suffer a definitive loss of principal while equity-holders may still participate to any potential recovery.

**Call extension risk:** AT1 CoCo are issued as perpetual instruments, callable at pre-determined levels at pre-determined call dates only with the approval of the competent authority. It cannot be assumed that the perpetual CoCo will be called on the call dates and issuer incentives to do so in the call language of the bond prospectus are prohibited. AT1 CoCo are a form of permanent capital. The investor may not receive return of principal if expected on the call dates or indeed at any date.

**Early redemption risk:** CoCo may also be subject to forced early redemption by the issuer – for instance, if there is a change in the regulatory classification of the security (Regulatory Event Redemption) or a change in the tax regime of the security (Tax Event Redemption).

**Unknown risk:** The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument

arbitrage. Furthermore, price formation may be increasingly stressed in an illiquid market.

**Yield/Valuation risk:** Investors have been drawn to the instrument as a result of the CoCo often attractive yield which may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCo tend to compare favorably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 CoCo, coupon cancellation.

**Credit Default Swap risks:**

Credit default swap transactions can be subject to higher risk than direct investment in debt securities. A Subfund may employ credit default swaps for investment and for hedging purposes, i.e. to increase or decrease its exposure to changing security prices or other factors affecting security values.

The “buyer” (of protection) in a credit default swap transaction is obliged to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or “par value”, of the reference obligation in exchange for the reference obligation, an equivalent deliverable obligation or the market value.

If no event of default or decrease of credit quality occurs with regard to the reference obligation, the relevant Subfund (if buyer) will lose its investment and recover nothing. However, if an event of default occurs, the relevant Subfund (if buyer) will receive the full notional value of the reference obligation that may have little or no value. In case of a rise in credit quality with regard to the reference obligation, the relevant Subfund (as buyer) may generate a loss in case of a close-out of the credit default swap before expiry.

As seller, the relevant Subfund receives a fixed rate of income throughout the term of the contract, provided that there is no event of default. If an event of default occurs, the relevant Subfund must pay the buyer the full notional value of the reference obligation and will receive only the defaulted reference obligation or the market value of the reference obligation. In case of a decline in credit quality

### Annex 3

with regard to the reference obligation, the relevant Subfund may generate a loss in case of a close-out of the credit default swap before expiry.

In addition, the market for credit derivatives may from time to time be less liquid than debt securities markets. The sale of a credit derivative may increase the risk exposure of the relevant Subfund to the market (leverage).

#### Liquidity Risk:

CoCo tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

CoCo bonds might become less liquid under stressed market conditions.

The Subfund's liquidity management tools in place as well as its dealing frequency arrangements are appropriate with regards to its investment strategy and underlying assets.

#### Emerging Market Risk:

Those markets are at an early stage in their development and subject to an increased risk of expropriations, nationalisations and social, political and economic uncertainty. Compared with developed markets investments in emerging markets entail increased risks in the form of liquidity squeezes, sharp currency and price fluctuations, currency export restrictions, custody and settlement risks, buying and selling restrictions, and a weak regime of financial market regulation, for example. It is therefore important that investments are viewed as a medium to long-term investment.

Potential investors are advised that investing in emerging markets carries a higher risk. In particular, this includes the risk:

- a. that a low volume of trading in the securities, or a lack thereof, on the corresponding securities market may lead to liquidity squeezes and relatively higher fluctuations in prices;
- b. of uncertainty in the political, economic and social conditions and the related risks of expropriation or confiscation, the risk of unusually high inflation rates, prohibitive taxation measures and other negative developments;
- c. of the possibility of considerable fluctuations in the exchange rate, differences in the rule of law, the existing or potential currency export restrictions, customs or other restrictions and any laws or other restrictions which apply to investments;

- d. of political or other circumstances which restrict the investment opportunities of the Subfund such as, for example, restrictions on issuers or industries which are classified as sensitive to national interests, and
- e. of the absence of appropriately developed legal structures for private or foreign investments and the risk of a possible lack of protection of private ownership.

If the investor's reference currency is not the same as the investment currency of the unit class, there is also an exchange rate risk.

#### Sustainability risks:

The Subfund will be exposed to some Sustainability Risks, which will differ from investment to investment. In particular, some securities will have greater exposure to certain types of Sustainability Risks than others.

This Subfund is amongst others exposed to risks related to Emerging Markets which will usually have greater exposure to Sustainability Risks than others as these market regions might have relatively low governmental or regulatory oversight or low transparency or disclosure of sustainability factors. For instance, governance risks are often more pronounced in Emerging Markets, materializing from a lack of maturity or corporate tenure or an often more concentrated ownership. Additionally, companies in many emerging markets are usually less transparent and deliver less robust disclosures resulting in a more challenging task for investment managers and external providers to identify and assess the materiality of eventual Sustainability Risks. Lag on labor and human rights practices, child labor, corruption are other examples of Sustainability Risks in Emerging Markets that could damage a company's reputation and earnings prospects, and increase the risk of regulatory scrutiny and restrictions. Such event could significantly impact the return of this Subfund.

Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent potential or actual material risks to maximizing the long-term risk-adjusted returns.

Portfolio investment decisions consider Sustainability Risks through use of investment manager's ESG Baseline Risk assessment. This is a key component of the overall ESG analytics framework applied to the Subfund. It explicitly assesses the current ESG risks challenging the sustainable value of an investment, relative to others within the



Subfund's investment universe. The assessment comprises analyses of risks grouped under each of the environmental, social and governance pillars.

For certain analysis components, where for example the investment manager is lacking necessary data, it supplements internal work with data provided by specialist ESG data and analysis provider, Vigeo-Eiris, an affiliate of Moody's. The investment manager uses commercially reasonable endeavors, using available data, to complete its assessments.

Should one or more Sustainability Risks materialise, the value of the affected investments may reduce, thus negatively impacting the Subfund's returns.

#### **Investment Manager**

Bank J. Safra Sarasin AG  
Elisabethenstrasse 62  
CH-4002 Basel

#### **Unit classes**

The Subfund is divided into the following unit classes: "P USD acc", "P CHF acc hedged", "P EUR acc hedged", "P USD dist", "P CHF dist hedged", "P EUR dist hedged", "C USD acc", "C CHF acc hedged", "C EUR acc hedged", "C USD dist", "C CHF dist hedged", "C EUR dist hedged", "I USD acc", "I CHF acc hedged", "I EUR acc hedged", "I USD dist", "I CHF dist hedged", "I EUR dist hedged", "Y USD acc", "Y CHF acc hedged", "Y EUR acc hedged", "Y USD dist", "Y CHF dist hedged", "Y EUR dist hedged", "E USD acc", "E EUR acc hedged", "E USD dist", "E EUR dist hedged", "M USD acc".

The AIFM can also approve individual unit classes or all of the above-mentioned unit classes for subscription at any time. Upon request the AIFM will provide information on active unit classes.

The unit classes with the suffix "P" are reserved for "other well-informed investors" within the meaning of Art. 2 of the 2007 Law. This includes investors who declare that they are well-informed investors and also hold either a minimum investment of EUR 125,000 in the Subfund or provide confirmation of their expertise from a financial institution, an investment firm or a UCITS management company.

The unit classes with the suffix "I" are reserved for institutional and professional investors and other well-informed investors within the meaning of Art. 2 of the 2007 Law.

The unit classes with the suffix "C" are reserved for financial intermediaries subscribing on behalf of institutional, professional or other well-informed investors within the meaning of Art. 2 of the 2007 Law domiciled or serviced in the European Economic Area (EEA), the United Kingdom and Gibraltar as well as for investors and financial intermediaries outside the EEA subscribing on the basis of a discretionary portfolio management or advisory mandate, provided a written agreement with the AIFM or the distributors is in place.

The unit classes with the suffix "Y" are reserved for private investors who have concluded an asset management mandate with a business unit of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies.

The unit classes with the suffix "E" are reserved for "other well-informed investors", institutional and professional investors within the meaning of Art. 2 of the 2007 Law and may only be purchased at the discretion of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies. Such share classes may be issued for a limited period of time.

The unit classes with the suffix "M" are reserved for institutional and professional investors within the meaning of Art. 2 of the 2007 Law who hold an asset management mandate with Bank J. Safra Sarasin AG or have signed a special agreement for investment in Subfunds of this umbrella Fund with Bank J. Safra Sarasin AG, Basel, or one of its subsidiaries. No administration fee is levied on the unit class with the suffix "M". The remuneration for the administration, asset management and distribution will be levied under the terms of the abovementioned contracts by Bank J. Safra Sarasin AG or one of its group companies or subsidiaries. This authorisation is explicitly regulated in the agreements made between the AIFM and Bank J. Safra Sarasin AG. The costs of the AIFM for the administration of the unit class "M" will be compensated by Bank J. Safra Sarasin AG based on a separate contractual relationship.

#### **Issue, redemption and conversion of units**

## Annex 3

Subfund units are issued, redeemed and converted on every Business Day in Luxembourg (Trading Day). If such a day is not a Business Day the Trading Day is postponed to the immediate subsequent Business Day.

Subscription orders must be received by the transfer agent in Luxembourg no later than 12:00 (noon) on the Trading Day.

Redemption orders must be received by the transfer agent at the latest five (5) Business Days before 12:00 (noon) on the Trading Day. Redemption orders that are not received by this point will be calculated at the next Trading Day.

The aforementioned deadlines shall not apply to conversion orders which only affect the change of unit classes within the Subfund.

Subscription payments have to be made in the currency of the relevant unit class within two (2) Business Days from the relevant Trading Day.

Redemption payments are ordinarily received in the currency of the relevant unit classes within two (2) Business Days from the relevant Trading Day.

### Calculation of the net asset value

The net asset value per unit of each class will be determined on each Business Day which follows the Trading Day (Valuation Day) (forward pricing). The issue and redemption price of the units is based on the net asset value calculated on the Valuation Day.

A Subfund's net asset value will not be calculated for days when the stock exchanges or markets in the Subfund's main investment countries are closed (e.g. bank and stock exchange holidays).

Furthermore the net asset value will not be calculated on specific national holidays of countries, where the investment manager is located and services are being provided.

### Trading Day

Each day banks are open for business in Luxembourg and Switzerland.

### Hedging of currency risk

The investment manager shall endeavour largely to hedge currency risks relative to the reference currency of the unit classes concerned. It cannot be ruled out, however, that currency fluctuations will nevertheless have an adverse impact on the Subfund.

### Distributions to Unitholders

Income received (especially interest) after fees, expenses and taxes, is distributed at least once a year to the Unitholders of the unit classes with the additional designation "dist" in accordance with the amount of their holdings in the unit class of each Subfund.

Capital gains realised on the sale of assets and rights are normally retained for the purpose of reinvestment. However, the AIFM may also decide to distribute these.

No distributions shall be made to Unitholders of unit classes with the additional designation "acc". Income is instead continuously reinvested (accumulation).

### Minimum initial investment

EUR 125,000 (or equivalent in CHF or USD) for unit classes "P", "C" and "E".

EUR/CHF/USD 1,000,000 for unit class "I" which may be waived at the discretion of the Board of Directors.

None for unit class "Y" and "M".

Initial issue price EUR/CHF/USD 1,000 per unit.

### Sales fee

Upon subscription of unit classes "P" and "C", the AIFM may charge a sales fee in its own favour of up to 3% of the subscribed capital amount.

Upon subscription of unit class "I", "Y", "E" and "M", the AIFM will not charge a sales fee in its own favour.

**Redemption fee** Upon redemption of unit classes "P" and "C", the AIFM may charge a redemption fee in its own favour of up to 1% of the net asset value.

Upon redemption of unit class "I", "Y", "E" and "M", the AIFM will not charge a redemption fee in its own favour.

### Fees

#### Fees payable to the AIFM

#### Management fee

The Subfund pays the AIFM a Management fee in the following amount:

- unit class "P": max. 1.60% p.a.
- unit class "I": max. 1.20% p.a.
- unit class "C": max. 1.40% p.a.
- unit class "E": max. 1.50% p.a.
- unit class "Y": max. 1.00% p.a.

- unit class “M”: max. 0.00% p.a.

The Management fee is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

#### **Fees payable to the Depositary Bank**

The Depositary Bank’s fee is agreed between the AIFM and the Depositary Bank from time to time in accordance with Luxembourg market practice. It is a maximum of 0.10% p.a. and is charged directly to the Subfund. The fee actually paid is stated in the annual reports of the Fund.

#### **Central administrator’s commission**

The central administration agent’s fee is agreed between the AIFM and the central administration agent from time to time in accordance with Luxembourg market practice. It is a maximum of 0.12% p.a. and is charged directly to the Subfund. The fee paid is stated in the annual reports of the Fund.

#### **Transaction fee**

Where net subscriptions and redemptions for all unit classes on a Trading Day exceed 20% of the Subfund’s net assets, the net asset value of all unit classes may be increased by 0.5% in the event of excess subscriptions and reduced by 0.5% in the case of excess redemptions. This transaction fee is credited to the Subfund and is intended to cover the transaction costs (including bid-offer spreads). This has the objective of protecting existing/remaining investors from any dilutive effect.

The fees listed above are net amounts and do not include any value-added tax.

#### **Taxe d’abonnement**

0.01% p.a. on all unit classes.

In addition, the Subfund is charged for the costs of its launch, which are amortised over five (5) years.

For further costs accruing to the Subfund, please see Article 9 of the Management Regulations.

## Annex 4

### Annex 4

to the Issuing Document of JSS Special Investments FCP (SIF)

in respect of the Subfund

#### JSS Senior Loan Europe

##### General information

Units of JSS Senior Loan Europe were first issued on 23 December 2019.

##### Investment policy

The JSS Senior Loan Europe primarily invests directly or indirectly in senior secured loans and senior secured floating rate notes issued (a) in a currency of a country in Europe or the European Union (e.g. Euro or Pound Sterling denominated) or (b) by companies that have a European “country of risk” (together “European Investments”), that offer attractive risk-adjusted returns.

Up to 25% of the Subfund’s net assets may be invested in (i) loans and notes issued (a) in a currency of a country in North America (e.g. U.S. Dollar denominated) (b) by companies that have a North American “country of risk”, and (ii) other European and North American investments, such as senior secured fixed rate notes, subordinated loans, senior unsecured loans, senior and subordinated corporate debt obligations (e.g., bonds, debentures and commercial papers), convertible debt obligations and preferred stocks. Furthermore, the Subfund may hold equity instruments received in the course of a capital restructuring or reorganization of a troubled issuer. Such instruments have to be sold as soon as possible while safeguarding investors’ interest.

Up to 5% of the Subfund’s net assets may be invested in equity and hybrid instruments in order to protect or preserve the value of a pre-existing investment or to preserve investment related creditor rights of the Subfund in the process of a capital restructuring or reorganization.

For the purposes of the above, “country of risk” means the country where any of the following occur or resides: (1) the greatest amount of activity (e.g. assets, revenue or profit); (2) corporate headquarters; (3) governing law of the credit instrument; each as may be reasonably determined by the Sub-investment manager.

It is understood that the Subfund will not originate loans.

Furthermore, the Subfund may also hold money market instruments until 49% of the Subfund’s net assets.

For the purposes of investment, hedging and efficient management of the Subfund’s assets, the Subfund may use derivative financial instruments that are traded on a stock exchange or other regulated market open to the public or over the counter (OTC). These include, amongst others, futures, forwards, swaps, credit default swaps and credit linked notes for the management of currency, interest-rate and credit risks.

The Subfund is actively managed without replicating any benchmark. However, the Subfund is managed with reference to CS West Euro Leveraged Loan Index (the “Benchmark”).

Generally, the majority of the positions within the Subfund are constituents of the Benchmark. In order to exploit specific investment opportunities the investment manager may discretionarily select securities not included in the Benchmark.

The holdings and their weightings in the Subfund’s portfolio will diverge from the weightings of the securities included in the benchmark therefore the Subfund’s returns may deviate from the performance of the Benchmark.

The reference currency of the Subfund is the EUR.

##### Investment restrictions

In addition to the investment guidelines set out in Chapter II “Investment principles” of the Issuing Document, the following restrictions also apply to the Subfund:

The Subfund does not invest directly or indirectly in physical real estate, commodities or precious metals.

Short-selling of securities or money market instruments is not permitted.

The Subfund may not invest more than 30% of its net assets in debt obligations of the same borrower.

##### Securities lending and repurchase agreements

The Subfund does not engage in securities lending and does not enter into repurchase agreements.

##### Borrowing and lending

The AIFM is not permitted to grant loans for the account of the Subfund.

The Subfund may borrow money temporarily in an amount up to 10% of the Subfund’s net assets. Such borrowing will be used primarily to cover redemption requests. Borrowing will generally not be used to create investment leverage.

**Leverage**

In accordance with the AIFMD, leverage is any method by which the AIFM increases the degree of investment of the Subfund by borrowing, securities lending, using derivatives or by any other means. The leverage also increases the risk for the Subfund. Leverage represents the ratio between the risk of the Subfund and its net asset value.

The AIFM calculates this risk, in accordance with the statutory provisions (in particular the AIFM Directive), using the gross method and the commitment method. The risk of the Subfund calculated using the gross method is the sum of the absolute values of all positions (excluding cash and cash equivalent positions in Subfund currency). For securities, the risk of a position is its absolute market value and for derivatives it is the absolute market value of the equivalent position in the underlying securities. The risk calculated using the commitment method takes into account hedging and netting agreements entered into by the AIFM. The leverage of the Subfund using the gross method shall not exceed 400%.

The leverage of the Subfund using the commitment method shall not exceed 250%.

**Risk factors**

In addition to the risk warnings stated in Chapter IX of the Issuing Document, the following applies to the Subfund: Investments in a subfund can fluctuate in value, and there is no guarantee that the units can be sold for the original capital amount invested.

For unit classes with “hedged” in the name which are denominated in a currency other than the accounting currency of the Subfund, currency transactions and currency futures contracts are entered into in order to largely hedge the net asset value of the Subfund calculated in the accounting currency against the net asset value of the other unit classes denominated in other currencies. If the reference currency of a unit class corresponds to the accounting currency of the Subfund, the addition of 'hedged' means that the currency risks of the investments are largely hedged against the reference currency. However, the possibility of currency fluctuations working to the disadvantage of the corresponding unit classes of the individual Subfund cannot be ruled out.

Credit risk:

One of the fundamental risks associated with the Subfund's investments is credit risk, which is the risk that a borrower will be unable to make principal and interest payments on its outstanding debt obligations when due or otherwise will default on its obligations to the Subfund and/or that the guarantors or other sources of credit support for such persons will not satisfy their obligations. Further, loans may become non-performing for a variety of reasons. Non-performing debt obligations may require substantial workout negotiations, restructuring or bankruptcy filings, all of which may entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. The assets of the Subfund's portfolio may include first lien senior secured debt, and may also include selected second lien senior secured debt, which involves a higher degree of risk of a loss of capital.

Counterparty risk:

Some of the markets in which the Subfund may effect transactions are “over-the-counter” or “inter-dealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets.

Liquidity risk:

Loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Historically the trading volume in the loan market has been small relative to the high-yield debt securities market. Senior loans of Subfund's portfolio might become less liquid under stressed market conditions. The Subfund's liquidity management tools in place as well as its dealing frequency arrangements are appropriate with regards to its investment strategy and underlying assets.

Pricing and valuation risk:

If market conditions make it difficult to value some investments, the Subfund may value these investments using more subjective methods, such as fair value pricing. In such cases the value determined for an investment could be different than the value realised upon such investment's sale. Secondary markets may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may prevent the Subfund from being able to realise full value and thus sell a security for its full valuation.

## Annex 4

This could cause a material decline in the Subfund's net asset value.

### Volatility:

Prices of the exposures may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors.

### Sustainability risks:

The Subfund does not promote ESG characteristics (as defined in section II. above) and does not maximize portfolio alignment with ESG characteristics; however, it remains exposed to Sustainability Risks (as defined in section IX. above). Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

This Subfund is highly diversified. Therefore, it is expected that the Subfund will be exposed to a broad range of Sustainability Risks, which will differ from company to company. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Subfund.

For the specific categorisation of the Subfund under the Taxonomy Regulation and the relevant Subfund's statement thereunder investors are referred to section II. above

### **Investment Manager**

J. Safra Sarasin Asset Management (Europe) Ltd.  
47 Berkeley Square, 4th Floor  
London, W1J 5AU, UNITED KINGDOM

### **Sub-Investment Manager**

CIFC Asset Management LLC  
875 Third Avenue, 24th Floor  
New York, NY 10022, UNITED STATES

Until 14 August 2022: With respect to the investment management process, the Sub-investment manager may, under its full responsibility and at its own expense, sub-delegate all or part of the asset management of European investments to Mirabella Financial Services LLP ("Mirabella") by way of a sub-investment management agreement or any other form of delegation in accordance with the non-objection to such assistance which has been expressed by the CSSF. Mirabella is a limited liability partnership incorporated under the laws of the United Kingdom, authorised and regulated by the Financial Conduct Authority (FCA) in the UK. whose registered office is 130 Jermyn Street, London, England, SW1Y4UR.

As from 15 August 2022: With respect to the investment management process, the Sub-investment manager may, under its full responsibility and at its own expense, sub-delegate all or part of the asset management of European investments to CIFC Asset Management Europe Ltd ("CIFC UK") by way of a sub-investment management agreement or any other form of delegation in accordance with the non-objection to such assistance which has been expressed by the CSSF. CIFC UK is a private company limited by shares incorporated under the laws of the United Kingdom, authorised and regulated by the Financial Conduct Authority (FCA) in the UK whose registered office is 27 Knightsbridge, 6th Floor, London, United Kingdom, SW1X 7LY.

### **Unit classes**

The Subfund is divided into the following unit classes:

"P EUR acc", "P USD acc hedged", "P CHF acc hedged", "P GBP acc hedged"

"P EUR dist", "P USD dist hedged", "P CHF dist hedged", "P GBP dist hedged"

"I EUR acc", "I USD acc hedged", "I CHF acc hedged", "I GBP acc hedged"

"I EUR dist", "I USD dist hedged", "I CHF dist hedged", "I GBP dist hedged"

"C EUR acc", "C USD acc hedged", "C CHF acc hedged", "C GBP acc hedged"

"C EUR dist", "C USD dist hedged", "C CHF dist hedged", "C GBP dist hedged"

"E EUR acc", "E CHF acc hedged", "E USD acc hedged", "E GBP acc hedged"

"E EUR dist", "E CHF dist hedged", "E USD dist hedged", "E GBP dist hedged".

The AIFM can also approve individual unit classes or all of the above-mentioned unit classes for subscription at any time. Upon request the AIFM will provide information on active unit classes.

The unit classes with the suffix “P” are reserved for “other well-informed investors” within the meaning of Art. 2 of the 2007 Law. These are investors who declare themselves to be well-informed investors and furthermore either have invested a minimum of EUR 125,000 in the Subfund or present confirmation of their expertise issued by a financial institution, an investment firm or a UCITS fund management company.

The unit classes with the suffix “I” are reserved for institutional and professional investors and other well-informed investors within the meaning of Art. 2 of the 2007 Law.

The unit classes with the suffix “C” are reserved for financial intermediaries subscribing on behalf of institutional, professional or other well-informed investors within the meaning of Art. 2 of the 2007 Law domiciled or serviced in the European Economic Area (EEA), the United Kingdom and Gibraltar as well as for investors and financial intermediaries outside the EEA subscribing on the basis of a discretionary portfolio management or advisory mandate, provided a written agreement with the AIFM or the distributors is in place.

The unit classes with the suffix “E” are reserved for “other well-informed investors”, institutional and professional investors within the meaning of Art. 2 of the 2007 Law and may only be purchased at the discretion of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies. Such share classes may be issued for a limited period of time.

#### **Issue, redemption and conversion of units**

Subfund units are issued, converted and redeemed on the first and third Wednesday of each month (the “Trading Day”) that is a Business Day in Luxembourg. If such day is not a Business Day the Trading Day is postponed to the immediate subsequent Business Day.

Subscription, conversion and redemption orders must be received by the transfer agent in Luxembourg at the latest five (5) Business Days before 12:00 (noon) CET on the Trading Day. Subscription, conversion and redemption orders

which do not arrive by this time are settled on the next Trading Day.

Subscription payments have to be made in the currency of the relevant unit classes within three (3) Business Days from the relevant Valuation Day.

Redemption payments are ordinarily made in the currency of the relevant unit classes within twenty five (25) Business Days from the relevant Valuation Day, under exceptional circumstances it may even take longer although not expected to take longer than one hundred and twenty (120) Business Days.

In the event that on any Trading Day more than 10% (ten per cent) of the total outstanding Units of the Subfund are tendered for redemption, the AIFM may refuse to effect all of the redemption request concerned in full. In such circumstances all of the relevant redemption requests may be effected on a pro-rata basis, if necessary, on each successive Valuation Day, until the outstanding redemption requests are discharged in full. Such deferred redemption requests will have priority over subsequent redemption requests.

#### **Calculation of the net asset value**

The net asset value per unit of each class will be determined in the relevant currency on each Business Day. The subscription and redemption price of the units (net asset value) will be determined no earlier than the Valuation Day which follows the Trading Day (forward pricing). The issue and redemption price of units is based on the net asset value calculated on the Valuation Day at the Trading Day’s closing prices.

In addition, the net asset value for the last Business Day of the month is calculated. This is not a Trading Day.

Furthermore the net asset value will not be calculated on specific national holidays of countries, where the investment managers are located and services are being provided.

#### **Trading Day**

Each day banks are open for business in Luxembourg, the United Kingdom and the United States of America.

## Annex 4

### Distributions to Unitholders

The net income received (particularly coupons) shall be distributed to Unitholders of the unit classes with the suffix “dist” at least once per year after deduction of fees, charges and taxes, pro rata to their interest in the unit class of the Subfund. Capital gains realised on the sale of assets and rights shall normally be retained for reinvestment. However, the AIFM may also decide to distribute these.

No distributions shall be made to Unitholders of unit classes with the suffix “acc”. The income shall instead be continually reinvested (accumulated).

### Minimum initial investment

EUR 125,000 (or equivalent in CHF, USD or GBP) for unit classes “P”, “C” and “E”.

USD/CHF/EUR 1,000,000 for unit class “I” which may be waived at the discretion of the Board of Directors.

### Initial issue price

EUR/CHF/USD/GBP 1000 per unit.

### Sales fee

Upon subscription of unit classes “P”, “C” and “E”, the AIFM may charge a sales fee in its own favour of up to 3% of the subscribed capital amount.

Upon subscription of unit classes “I”, the AIFM will not charge sales fee in its own favour.

### Redemption fee

Upon redemption of unit classes “P”, “C” and “E”, the AIFM may charge a redemption fee in its own favour of up to 1% of the net asset value.

Upon redemption of unit classes “I”, the AIFM will not charge redemption fee in its own favour.

## Fees

### Fees payable to the AIFM

#### Management fee

The Subfund pays the AIFM a Management fee in the following amount:

- unit class “P”: max. 1.40% p.a.
- unit class “I”: max. 1.00% p.a.
- unit class “C”: max. 1.20% p.a.
- unit class “E”: max. 1.20% p.a.

The Management fee is based on the net asset value calculated on every Valuation Day and is payable quarterly in arrears.

### Fees payable to the Depositary Bank

The Depositary Bank’s fee is agreed between the AIFM and the Depositary Bank from time to time in accordance with Luxembourg market practice. It is subject to a maximum of 0.10% p.a. and is charged directly to the Subfund. The fee actually paid is stated in the annual reports of the Fund.

### Central administrator’s commission

The fee of the central administration agent is agreed between the AIFM and the central administration agent from time to time in accordance with Luxembourg market practice. It is subject to a maximum of 0.12% p.a. and is charged directly to the Subfund. The fee paid is stated in the annual reports of the Fund.

The charges and fees mentioned above are net amounts excluding any value added tax that may be due.

### Taxe d’abonnement

0.01% p.a. on all unit classes.

In addition the Subfund is charged for the costs of its launch which are amortised over five (5) years.

For further information about the charges applicable to the Subfund, refer to Article 9 of the Management Regulations.





## Schedule II

### **Schedule II: Benchmark Disclaimers**

(dated as of December 08, 2021)

#### **Credit Suisse**

Source: Credit Suisse

**Schedule III: SFDR Disclosures**

JSS Cat Bond Fund	48
JSS Sustainable Bond - Global Financials	55

Schedule III

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:  
JSS Cat Bond Fund

Legal entity identifier:  
549300NOU5TW5LTIVA04

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : __%	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 0 of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : __%	<input type="checkbox"/> with a social objective
	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

### What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects (ESG) along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. This product’s sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by the Bank J. Safra Sarasin AG and its affiliates (“J. Safra Sarasin”). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) (“JSS Exclusion Policy”):

- Controversial Weapons: (> 0%);



- Defense and Armament (>5%);
- Nuclear Energy (>5%);
- Coal: >: 5% for coal extraction and >20% for power generation);
- Genetically-modified organisms for controversial applications in agriculture and medicine (> 0%);
- Tobacco (>5%);
- Adult Entertainment (> 5%);
- International Norm Violation of Human Rights (structural, ongoing failures of compliance with the UN Global Compact principles.

This product invests in Cat Bonds with a positive ESG profile and excludes investments which fail to adhere to minimum ESG standards. The ESG profile is assessed according to the investment manager's proprietary sustainability scoring framework "Sustainability Score" which measures on a relative basis the potential an investment has in supporting or enhancing longer-term sustainable value through a prospective reduction in environmental and social systemic risk. A reference benchmark has not been designated for the purpose of attaining the product's environmental or social characteristics.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The product's attainment of the environmental or social characteristics promoted, is measured according to:

- The proportion of assets that breach exclusion criteria
- The sustainability score of the portfolio

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

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

The investment manager is required to consider the negative consequences of their investment decisions as indicated by the adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement activities and active ownership. At entity-level, a detailed approach to the relevant mandatory PAI indicators will be available on the website by 30 June 2023 at the latest. At product level, this will be included in the annual report from 2023 onwards.

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

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

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

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

Yes. Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all relevant mandatory PAI indicators. Investments which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement activities and active ownership. Further information about the consideration of principal adverse impacts will be available in the annual report published after 1 January 2023.

No



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

The product invests in Cat Bonds in order to build a portfolio of exposures to insurance risk. Cat Bonds are instruments whose pay-off and value depend on the performance of insurance-related risks, including but not limited to, the occurrence or non-occurrence of insurance events. An insurance event means an event that triggers insurance payments. The process of selecting Cat Bonds incorporates ESG factors to identify issuers / sponsors that positively contribute to one or more environmental or social outcomes such as substantially reducing the adverse impact of the current and expected future climate on people, nature or assets and excludes investments which fail to meet minimum ESG criteria.

For investments in insurance-linked securities (“ILS”), the Sustainability Score takes into account both the rating of the sponsor and of the instrument itself, given its specific purpose. In this way, the framework allows the investment manager to account for what the sponsor is doing with the capital the ILS instrument provides, as well as an acknowledgement on what the capital is focused on doing, and in the case of ILS this is often protecting peoples’ homes.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Each investment begins with screening the issuer against the Investment Manager's ESG Exclusion List criteria. An issuer is excluded if it is in breach of any of the ten of the United Nations Global Compact, is directly involved in Controversial Weapons, or generates revenues (directly or via underwriting/investing) estimated to be in excess of prescribed thresholds from specified controversial environmental and/or social activities (e.g. coal, animal welfare, ...).

Securities that are not excluded are then assigned a Sustainability Score. The Investment Manager's Sustainability assessment is a key component of the overall ESG analytics framework. It assesses the potential an investment has in supporting or harming sustainability factors, for example by enabling individuals to insure their homes against severe weather events or, conversely, by facilitating the insurance of polluting industries. The analytics behind this measure assigns greater weight to more advanced corporate activity and behaviour in order to encourage action that goes above and beyond minimum standards, for example those prescribed by law.

The assessment covers each of the E, S and G pillars across a predetermined question set. The questions are grouped into heads of analysis covering a number of topics: corporate governance, insurance activity, human rights and resources, customer treatment, community involvement, business integrity, and management and corporate strategy.

The typical factors that drive a favourable Sustainability assessment may include the following examples:

- A strong qualitative view by the Investment Manager of company management and corporate strategy, indicating the potential for leadership in climate change mitigation and/or adaptation;
- An underwriting portfolio that focusses on delivering environmental and societal resilience to its customers;
- No involvement in environmental, social, or governance controversies;
- Public sustainability commitment through signing and implementation of recognised international standards;
- An investment strategy that clearly embeds environmental and social considerations into asset allocation decisions.

The individual E, S and G pillars are combined on a weighted basis to arrive at the overall Sustainability Score for an issuer with a scale from 0% (i.e. low sustainability) to 100% (i.e. high sustainability). This combination involves a majority weight being assigned to the Environment pillar, the remainder split evenly between Social and Governance. These weightings have been assigned according to the investment manager's view on the materiality of each pillar to the final Sustainability Score assessment, in the context of the global insurance industry.

As part of the analysis, the Investment Manager considers both the "Issuer" and the "Instrument". This allows the Investment Manager to determine how a company is positioned in relation to a forward looking ESG stance as well as taking into account where the capital provided by the instrument is specifically utilised.

While for the issuer level analysis the Investment Manager takes a view on a number of ESG related areas of analysis, for the instrument level analysis the focus is entirely on what the instrument is covering from a “line of business” approach so that the ultimate destination of the capital can be taken into account.

The weighting between issuer and instrument is different for different asset classes, and has been calibrated to give meaningful dispersion as well as a focus on what the sustainability rating of a particular asset is.

The Sustainability assessment is based on both internal knowledge and data provided by a specialist in the ESG area.

The Investment Manager ensures that the weighted average score of the portfolio remains at or above the threshold as determined by the Investment Manager.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate.

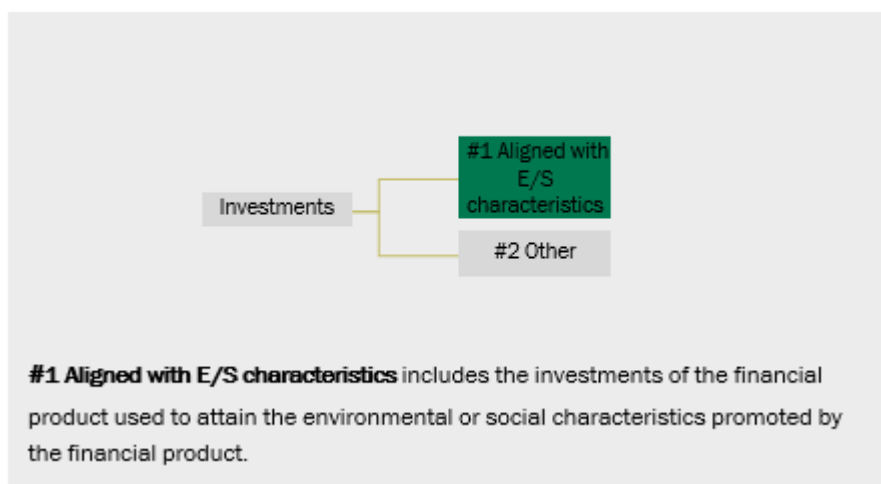
● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager assesses potential investments against a variety of governance criteria including board structure, executive remuneration, and adherence to governance codes. Investments which fail to adhere to minimum governance standards or where a potential governance issue has been identified, are excluded from the investible universe.

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

**What is the asset allocation planned for this financial product?**

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted is at least 75%. Cash, cash equivalents such as money market instruments, FX forwards and investments issued by sovereigns are included under "#2 Other".



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- turnover** reflecting the share of revenue from green activities of investee companies
- capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**Enabling activities**

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

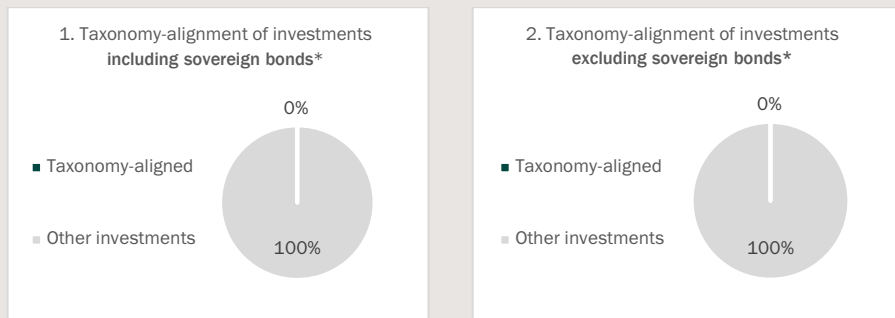
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

Not applicable

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



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

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

Not applicable

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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

Not applicable



**What is the minimum share of socially sustainable investments?**

Not applicable



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

#2 Other includes cash, cash equivalents such as money market instruments, FX Forwards used for currency hedging purposes, and investments issued by sovereigns. Instruments issued by sovereigns are monitored for serious violations of democracy and human rights based on the assessment of the Freedom House Index.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No



### Schedule III

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

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**  
Not applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**  
Not applicable
- **How does the designated index differ from a relevant broad market index?**  
Not applicable
- **Where can the methodology used for the calculation of the designated index be found?**  
Not applicable



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

More product-specific information can be found on the website: [https://product.jsa-fracarasin.com/internet/product/sfdr\\_website\\_disclosures.pdf](https://product.jsa-fracarasin.com/internet/product/sfdr_website_disclosures.pdf)

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:  
JSS Sustainable Bond - Global Financials

Legal entity identifier:  
549300EC1W6MQRQFG73

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input type="radio"/> <b>Yes</b></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: __%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: __%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <b>No</b></p> <p><input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>

### What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects (ESG) along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. This product's sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by the Bank J. Safra Sarasin AG and its affiliates ("J. Safra Sarasin"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) ("JSS Exclusion Policy"):

- Controversial Weapons (>0%);



- Defense and Armament (>5%);
- Nuclear Energy (>5%);
- Coal (>5% for coal extraction and 20% for power generation);
- Genetically-modified organisms for controversial applications in agriculture and medicine (>0%);
- Tobacco (>5%);
- Adult Entertainment (> 5%);
- International Norms Violation of Human Rights (structural, ongoing failures of compliance with the UN Global Compact principles.

The product invests in issuers with an above average ESG profile. The ESG profile is assessed according to the proprietary J. Safra Sarasin Sustainability Matrix, which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals (“SDG revenues”) or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product’s environmental or social characteristics. Further information is available in the website disclosures accessible via the link at the end of this document.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The product’s attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the J. Safra Sarasin Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, being industry leaders and being eligible for all sustainable strategies. B-rated issuers are eligible for integrated sustainable strategies. Further information about the Matrix is provided below.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The sustainable investments of the product contribute to one or more environmental and/or social objectives. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

An issuer can contribute to an environmental or social objective if its products facilitate the achievement of one or more of the UN Sustainable Development Goals as determined by the proportion of the issuers’ revenues that align with one of the Goals or if the issuer achieves operational excellence as determined by outperforming at least 75% of its peers on material environmental and/or social indicators.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

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

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. In addition, issuers with an E, S or G score smaller than -2 standard deviations away from the sub-industry are excluded. Further information about the adverse indicators considered is provided below.

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

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

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement activities and active ownership. At entity-level, a detailed approach to each of the 14 mandatory PAI indicators will be available on the website by 30 June 2023 at the latest. At product level, this will be included in the annual report from 2023 onwards.

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

The ESG screening and universe definition are based on the J. Safra Sarasin Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

- The OECD Guidelines for Multinational Enterprises,
- The UN Guiding Principles on Business and Human Rights,
- The United Nations Global Compact,
- The OECD Principles of Corporate Governance,
- The OECD Guidelines for Multinational Enterprises,
- The Universal Declaration of Human Rights,
- The Children's Rights and Business Principles,
- The ILO conventions on labour standards,
- The Rio Declaration on Environment and Development,
- The UN Convention on Corruption,
- The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the J. Safra Sarasin sustainable investment universe. Further information is available in the website disclosures accessible via the link at the end of this document.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

- Yes. Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory PAI indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement activities and active ownership. Further information about the consideration of principal adverse impacts will be available in the annual report published after 1 January 2023.
- No



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

The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The J. Safra Sarasin ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers, which are considered best in class, to D-rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager considers the following criteria in its strategy:

- (a) Avoiding controversial exposures according to the JSS Exclusion Policy;
- (b) Mitigating ESG risks and harnessing ESG opportunities. Issuers which are A- or B-rated may be excluded if their E, S or G score is smaller than -2 standard deviations away from the sub-industry. This ensures that issuers perform well across all material ESG factors and do not fall below defined thresholds;
- (c) Achieving an above-average ESG profile. This product will not invest in C- or D-rated issuers;

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

(d) Intentionally targeting measurable positive outcomes by investing in issuers that promote sustainable products and services as determined by the proportion of the issuers' revenues that align with one of the UN Sustainable Development Goals or if the issuer achieves operational excellence as determined by outperforming at least 75% of its peers on material environmental and/or social indicators. In addition, the investment manager engages with selected investee companies to foster a change in behavior towards sustainable practices.

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

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The investment manager's ESG approach reduces a global investment universe of issuers for which ESG data is available by roughly 15%. The percentage reduction may be bigger or smaller for regional investment universes or strategy-specific carve-outs.

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

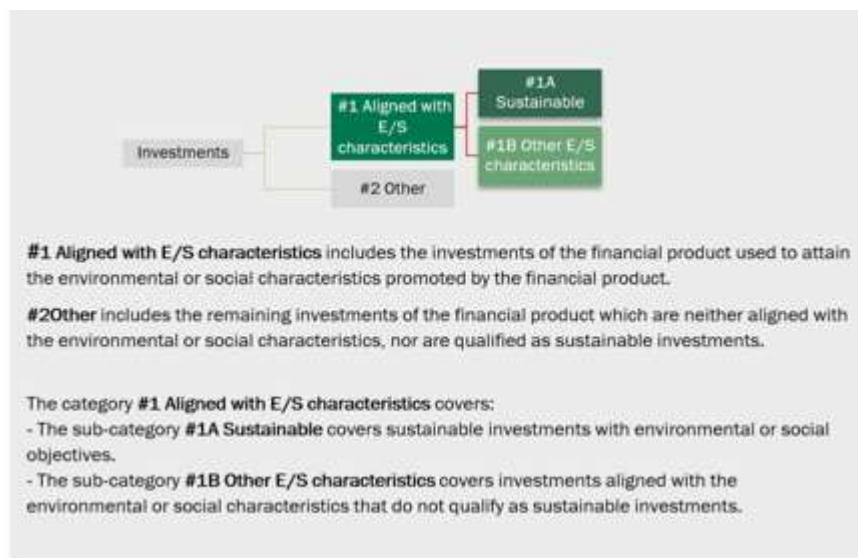
Investee companies are rated for governance aspects against a variety of factors including board structure, executive remuneration, and adherence to governance codes, in line with the J. Safra Sarasin Sustainability Matrix methodology. In addition companies which are -2 standard deviations away from the industry standard are excluded from the investment process.



Asset allocation describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?**

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product is at least 85%. Cash and derivatives are included under "#2 Other". The subcategory "#1A Sustainable" covers a minimum of 50% of sustainable investments with environmental and/or social objectives. The minimum share of sustainable investments can be distributed in any ratio between environmentally or socially sustainable investments.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable



**Enabling activities**

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

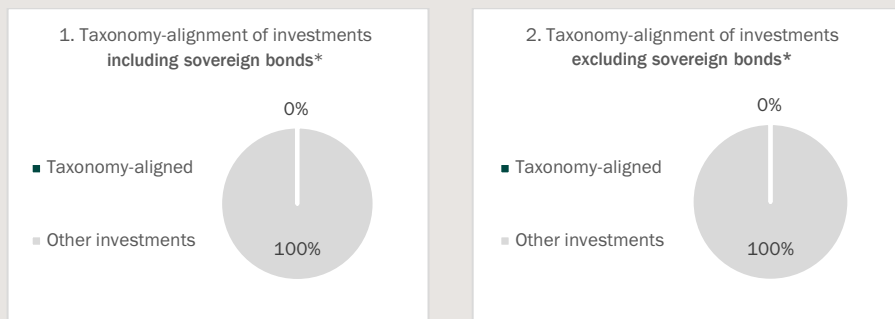
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

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



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

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

There is no minimum share of investments in transitional and enabling activities.



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

There is no minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy. The minimum share of sustainable investments can be distributed in any ratio between environmentally or socially sustainable investments.



**What is the minimum share of socially sustainable investments?**

There is no minimum share of socially sustainable investments.. The minimum share of sustainable investments can be distributed in any ratio between environmentally or socially sustainable investments.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The product's cash balance and derivatives are included under "#2 Other" the primary purpose of which is to hedge risks. There is currently no agreed methodology to consider ESG criteria for these asset classes.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

### Schedule III

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

No

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable



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

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### Management Regulations

#### Article 1: The Fund

JSS Special Investments FCP (SIF) (the “Fund”) was established on 6 September 2011 as a specialised investment fund in the form of a mutual fund (fonds commun de placement) and is governed by the Law of 13 February 2007 relating to Specialised Investment Funds (the “2007 Law”), as amended, and is managed by J. Safra Sarasin Fund Management (Luxembourg) S.A., Luxembourg (the “AIFM”).

The Fund is intended exclusively for qualified investors within the 2007 Law.

The units of JSS Special Investments FCP (SIF) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). They may not be offered or sold in the USA, its territories or any area subject to its jurisdiction, or to US persons or persons who (would) purchase the units for the account of, or benefit of, US persons. Any re-offer or resale of units in the USA or to US persons may constitute a violation of the laws of the United States of America. Units of JSS Special Investments FCP (SIF) may not be subscribed by US persons.

The AIFM can at any time proceed with the compulsory redemption of the units of an investor on behalf and for the account of the Fund should these units be held by/for the account of/ or on behalf of:

- US persons,
- a person who does not provide the Fund, represented by the AIFM, with the requested information and documentation that is necessary for the latter to meet its legal or supervisory requirements pursuant to (but not limited to) the FATCA and CRS regulations, or
- a person who is deemed by the Fund, represented by the AIFM, to constitute a potential financial risk to the Fund.

The Fund must comply with the provisions of the Foreign Account Tax Compliance Act, the law of the United States of America of March 2010 that came into force in the context of the US Hiring Incentives to Restore Employment Act (“FATCA”). FATCA rules require that foreign financial institutions provide the IRS (Internal Revenue Service, the federal tax authority of the United States) with information on, for example, direct and indirect ownership or control by a US person of accounts held outside the USA. Failure to provide

the required information can result in a withholding tax amounting to 30% of US source income (including dividends and interest) and gross income from the sale of or other dispositions concerning assets that may give rise to US source income, as well as penalties and fines imposed on the Fund by the Luxembourg tax administration.

The Fund must also comply with the Common Reporting Standard (the “CRS”) as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the “CRS-Law”). The CRS-Law requires that Luxembourg Reporting Financial Institutions annually report to the Luxembourg tax authority personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities which are themselves Reportable Persons. Failure to provide the required information can result in penalties and fines imposed on the Fund. Any investor that fails to comply with the Fund’s information or documentation requests may be held liable for penalties and/or fines imposed on the Fund and attributable to such investor’s failure to provide the Information.

The assets of the Subfunds, which are held in safekeeping by RBC Investor Services Bank S.A., Luxembourg, as Depository Bank, are kept separately from the assets of the AIFM.

The Fund has an “umbrella” structure, therefore the AIFM may decide at any time to create new subfunds (“Subfunds”) and issue different unit classes, as described in the Issuing Document if applicable.

The contractual rights and obligations of the Unitholders, the AIFM and the Depository Bank are defined in these Management Regulations.

In acquiring units in a Subfund, each Unitholder acknowledges the Management Regulations.

#### Article 2: The AIFM

The AIFM of the Fund is J. Safra Sarasin Fund Management (Luxembourg) S.A., a public limited company incorporated under Luxembourg law, with registered office at 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of

## Management Regulations

Luxembourg. The AIFM was established on 2 May 2011. The Articles of Association of the AIFM have been filed at the Commercial Register of the District Court of Luxembourg and were published on 19 May 2011 in the *Mémorial C, Recueil des Sociétés et Associations*, the former Official Gazette of the Grand Duchy of Luxembourg.

The AIFM is entered in the Luxembourg Trade and Companies Register under number B160 811.

The AIFM manages the Fund's assets in its own name, though exclusively in the interest and for the account of the Unitholders. As an AIFM within the meaning of the Law of 12 July 2013 on Alternative Investment Fund Managers (the "2013 Law"), the AIFM is responsible in particular for managing the assets (including portfolio management and risk management) of the Fund, but also for other tasks concerning the management and distribution of units of the Fund.

It is authorised to take any action as part of the administration and management and to exercise all rights directly or indirectly related to the assets of the Fund or a Subfund and in particular to delegate tasks to qualified third parties in whole or in part.

The AIFM may, as described in detail in the Issuing Document, enter into an asset management agreement with one or more companies ("Investment Managers"), which make investment decisions with regard to the investment policy of the Fund and for the purpose of portfolio management are authorized or registered, and are subject to supervision by a public authority, and/or an investment advisory agreement with one or more companies ("Investment Advisors"), which make recommendations with respect to the investment policy of the Fund and advise the Fund.

The tasks of the Investment Manager(s), carried out within the framework of day-to-day business and under the general control and supervision of the AIFM, extend primarily, though not exclusively, to the purchase, sale, subscription and transfer of securities and other assets permitted according to the Management Regulations, and to the exercise of all rights directly or indirectly connected with the Fund's assets. The Investment Manager has the right, at its own cost and under its own responsibility, to consult with third parties.

The delegation of tasks shall not prevent the effectiveness of supervision by the AIFM in any way; in particular, they may not prevent the AIFM from acting in the interests of investors, nor prevent the Fund from being managed in the interests of the investors.

The AIFM is entitled to receive a fee paid out of the Fund assets for performing the management tasks (management commission), in accordance with the details relating to the individual Subfunds (see annexes). The fee is calculated on every valuation day on the basis of the Fund's net assets determined by the AIFM, segregated and paid quarterly in arrears.

### Article 3: The Depositary Bank

The AIFM appoints the Depositary Bank.

The AIFM has appointed RBC Investor Services Bank S.A., Luxembourg as the Depositary Bank. It is authorised to transact all kinds of banking business in Luxembourg.

The Depositary Bank acts independently of the AIFM.

The function of the Depositary Bank is governed by the 2007 Law, the 2013 Law, and the Depositary Bank and Paying Agent Agreement, which was concluded between the AIFM and the Depositary Bank with effect from 3 June 2014.

The Depositary Bank maintains all securities and other assets of each Subfund in safe custody in blocked accounts or securities custody accounts, with any disposals exclusively in accordance with the provisions of these Management Regulations.

The liability of the Depositary Bank shall, in principle, not be affected in the event that the custodial duties are transferred to a sub-depositary bank.

The Depositary Bank may, under certain circumstances and in accordance with Article 19 (13) of the 2013 Law, be exempted from its liability. In the event that foreign local law or legislation prescribes that certain financial instruments are to be held in custody by a local entity, and none of the local entities satisfies the requirements for delegation in accordance with Article 19 (11) d (ii) of the 2013 Law, the Depositary Bank may nevertheless be exempt from liability,

provided that certain conditions in accordance with Article 19 (14) of the 2013 Law, the Management Regulations of the Fund and the Depositary Bank and Paying Agent Agreement are met.

### **Article 4: Investment policy, investment restrictions**

The assets of the Subfunds are to be invested in admissible assets according to the principle of risk diversification, taking into account the investment objectives and investment limits of the Subfunds, as described in the Issuing Document and these Management Regulations, and in compliance with the provisions of the 2007 Law, as described in the Issuing Document.

In particular, Subfunds (the “Investing Subfunds”) may invest in other Subfunds (the “Target Subfunds”) of this umbrella fund under the conditions below. The amount of these investments, expressed as percentage of the net asset value, is set out in the relevant annex of the Investing Subfund.

The Target Subfund may itself not invest in the Investing Subfund.

As long as these units are held by the Investing Subfund, their value may not be taken into consideration in the calculation of the Fund’s net asset value, whose purpose is to check whether the legally required minimum capital is being adhered to.

### **Article 5: The units**

Units of the Subfunds may only be issued in registered form.

As joint owners, Unitholders have an interest in the assets of the individual Subfunds in proportion to the number of units they hold. Their rights are represented by unit certificates. Unitholders have no claim on issue of physical units.

Units of the Subfunds may be issued in various unit classes.

The unit certificates are transferable within the limits of the 2007 Law. The rights vested in a unit certificate are transferred when the unit certificate is transferred. As far as the AIFM and/or Depositary Bank are concerned, the Unitholder entered in the register is always regarded as the party entitled to exercise the rights associated with the units.

All units of a Subfund have equal rights unless otherwise provided for in any issue of different unit classes.

### **Article 6: Issue and redemption of units**

#### 6.1 Limited investor group

The purchase of units is exclusively for qualified investors within the meaning of Article 2 of the 2007 Law.

Qualified investors within the meaning of Article 2 of the 2007 Law are:

- i. institutional investors,
- ii. professional investors and
- iii. any other well-informed investor who declares that he is a well-informed investor and also
  - holds either a minimum investment of EUR 125,000 in the Fund or
  - provides confirmation of his expertise from a financial institution, an investment firm or a UCITS management company.

The AIFM will not issue units to (i) persons or companies that are not qualified investors within the meaning of Article 2 of the 2007 Law or to (ii) US persons pursuant to Art. 1 of the Management Regulations. Nor will the AIFM perform transfers of units that could lead to a situation where non-qualified investors or US persons become Unitholders of the Fund.

Where units are transferred, the investor and the acquirer must confirm and, at the request of the AIFM or the registrar and transfer agent, present proof that the transfer will not lead to direct or beneficial ownership by a non-qualified person or a US person. The AIFM may demand the compulsory redemption of units if it is of the opinion that such units have been transferred to a non-qualified investor or a US person.

When verifying the status of a subscriber or recipient of units as a qualified investor, the AIFM or the registrar and transfer agent shall follow the interpretation of the competent Luxembourg authorities (if any).

The AIFM may, at its sole discretion, at the request of the Unitholder, issue units of a Subfund against contributions in kind of securities and other assets or redeem units of a Subfund in kind against delivery of securities and other assets. In the event of the issue of units, it is assumed that

## Management Regulations

these securities and other assets correspond to the investment objectives and investment policies of the Subfunds as well as the provisions of the Management Regulations. The Fund auditor shall prepare a valuation report which shall be made available to all investors at the registered office of the AIFM. The costs of such contribution in kind are borne by the investor in question. Units are issued/redeemed at the relevant issue/redemption price that corresponds to the valuation amount of the contribution in kind/payment in kind established by the auditor.

The AIFM may at any time buy back units from Unitholders who are excluded from acquiring units according to the conditions stated above.

The above provisions apply equally to the beneficial owner.

### 6.2 Subscription and issue of units

Applications for the subscription of units of a Subfund are accepted on the trading day up to the time stated in the Issuing Document.

There is no restriction regarding the number of units issued per Subfund. However, the AIFM reserves the right to suspend the issue of units temporarily or completely or to reject subscription applications, or to buy back units against payment of the redemption price, if this appears to be necessary in the interest of the Unitholders or in the public interest or to protect the Fund/Subfund or the Unitholders. In such cases, any payments already made will be immediately repaid without interest.

The units of the Subfunds can be subscribed to, subject where applicable to the minimum subscription amount specified in the Issuing Document, by application to the transfer agent as described in the Issuing Document, at the net asset value plus any average incidental costs (standard brokerage fees, commissions, taxes, etc.) arising for the Subfund as a result of the investment of the subscription amount, as well as any front-end load (see the corresponding annex to the Issuing Document).

The issue price must be paid within the period specified in the Issuing Document. The issue price is payable to the transfer agent, as specified in the Issuing Document.

### 6.3 Redemption of units

Applications for the redemption of units of an open Subfund are accepted on the trading day up to the time stated in the Issuing Document. The AIFM may decide at any time to accept redemption applications more frequently and at shorter notice.

The redemption price of units is based on the net asset value at the previous day's closing prices (see Art. 7 of the Management Regulations). In the case of unit redemptions, the average incidental costs arising for the Subfund as a result of the sale of a redeemed portion of the investments, plus a redemption fee, may be deducted from the net asset value (see the corresponding annex to the Issuing Document).

The redemption price shall be paid within the period specified in the Issuing Document. The redemption price is paid in the currency of the unit class of the Subfund.

The AIFM may demand the compulsory redemption of units if it is of the opinion that such units are held by a non-qualified or no-longer-qualified investor or a US person, or if the Unitholder does not fulfil or no longer fulfils any of the conditions applicable to a unit class. If moreover at a later date any of the stipulated requirements for the acquisition of a unit class ceases to be met, the AIFM may, with the consent of the investor concerned, arrange for these investors to be transferred to a unit class for which they are eligible.

The units may also be compulsorily redeemed by the AIFM, without being responsible for any profits or losses arising from such compulsory redemptions, where

- a. the investor's participation in the Fund could be significantly detrimental to the financial interests of other investors, especially if his involvement could have adverse tax implications for the Fund in Switzerland or abroad;
- b. the investors have acquired or hold their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, or of these Management Regulations;
- 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).

#### 6.4 Conversion of units

Unless provided for otherwise in the annex of a Subfund, holders of units of each Subfund are entitled to convert some or all of their units into units of another unit class issued for the same Subfund, provided they fulfil the conditions for acquiring units of that unit class. Units may be converted on each valuation day at the issue price valid on that day. The same cut-off time applies to conversion orders as it does to subscription and redemption orders of the corresponding Subfund. Conversion orders received after the cut-off time shall be executed on the second following valuation day but one. The basis for conversion is related to the respective net asset value per unit of the Subfunds concerned. The number of units into which a Unitholder intends to convert his existing units is calculated in accordance with the following formula:

$$A = (B \times C) \times F / D$$

A = the number of units to be issued in the new unit class;  
 B = the number of units in the originally held unit class;  
 C = the redemption price per unit in the originally held unit class;  
 D = the net asset value per unit of the new unit class;  
 F = exchange rate

Conversion orders from one Subfund to another are not permitted.

#### 6.5 General information

Subscription, redemption and conversion orders which are received at the transfer agent after the time stated in 6.2, 6.3 and 6.4 or in the corresponding annex to the Issuing Document shall be settled at the issue price/redemption price of the next valuation day.

The issue and redemption price of the units of a Subfund is based on the net asset value at the previous day's closing prices (see Art. 7 of the Management Regulations), which is determined by the AIFM under the supervision of the Depository Bank in Luxembourg. Information on this subject is available at the registered office of the AIFM.

A subscription order may only be accepted upon a complete and proper full identification of the subscribing investors as

well as the ultimate beneficial owner in accordance with the applicable anti-money laundering laws and regulations.

Pursuant to Article 3 (2) (d) of the law of 12 November 2004 on the fight against money laundering and terrorist financing the AIFM is obliged to conduct an ongoing monitoring of the business relationship with its Unitholders. Ongoing monitoring includes, inter alia, the obligation to verify and, where appropriate, to update, within an appropriate timeframe, the documents, data or information gathered while fulfilling the Unitholder's due diligence obligations. The AIFM may only be in a position to fulfil its legal obligation to conduct an ongoing monitoring of the business relationship with its Unitholders if the Unitholders will provide the AIFM with the relevant information and documents in order to verify and, where appropriate update collected data. In case of any lack of cooperation of a Unitholder, the Company would be obliged to block such Unitholder's account until the receipt of the information and documents required by the AIFM. Any costs, including in particular account maintenance costs, which are related to non-cooperation of such Unitholder will be borne by the respective Unitholder.

#### **Article 7: Net asset value**

The currency of the Fund for accounting purposes is the euro. The net asset value per Subfund or unit class of a Subfund is expressed in the reference currency of the Subfund/unit class (see annexes to the Issuing Document) and calculated to three decimal places.

The net asset value per unit is calculated for each Subfund on the day defined in the corresponding annex to the Issuing Document and forms the basis for calculation of the issue and redemption price (see 6.2. and 6.3). The value of the assets of the individual Subfund less the liabilities ("net asset value") is divided by the number of units outstanding per unit class.

If on any given trading day (as defined in the relevant Subfund's annexes of the Issuing Document) the total of subscriptions or redemptions of all of a Subfund's unit classes leads to a net capital inflow or outflow, the net asset value of the Subfund in question on this trading day can be increased or reduced (single swing pricing). The maximum adjustment amounts to a certain percentage of the net asset value that is determined by the Board of Directors in the Issuing Document. The adjustment leads to an increase in

## Management Regulations

the net asset value if the net movements lead to an increase in the number of units of the Subfund in question. This results in a reduction of the net asset value if the net movements lead to a reduction in the number of units. The Board of Directors may determine a threshold for each Subfund. This threshold may be derived from the net asset value on a trading day relative to the net assets of the Subfund or an absolute amount in the currency of the respective Subfund. The net asset value would therefore not be adjusted unless this threshold is breached on any given trading day.

The net asset value is calculated according to the following principles, it being up to the AIFM to decide whether bid prices or mid-prices should be used:

- a. The value of all securities that are listed on an official exchange shall be determined on the basis of the closing prices on the valuation day. If the securities are listed on more than one exchange, the value of such securities shall be determined on the basis of the closing prices on the exchange on which the Subfund acquired them.  
In the case of securities with negligible stock exchange trading volumes and for which the last available closing prices are not representative of fair value and for which there is a secondary market among securities brokers with fair market prices, the AIFM may value such securities on the basis of prices set in this way.
- b. Securities traded on a regulated market are valued in the same manner as listed securities.
- c. Securities that are not listed on an official stock exchange or traded on a regulated market are valued at their last known market prices. If such prices are not available, the AIFM shall use other principles to determine the value of these securities on the basis of prices that it deems to be the probable realisable value of the securities (bid or mid-prices).
- d. Term deposits shall be valued at their nominal value increased by accrued interest.
- e. Units issued by open-ended investment funds shall be valued at their most recent available net asset value or, in accordance with (a) above, at their price at their place of listing.
- f. The sale price of forward, futures and options contracts that are not traded on an exchange or other organised market (forwards) will be valued according to guidelines laid down by the AIFM, with the same method being used for all contracts. The sale value of forward, futures

and options contracts that are traded on an exchange or other organised market (futures) will be determined on the basis of the last available settlement price for these contracts on exchanges or organised markets on which forward, futures or options contracts of this kind are traded; however, the sale value of such contracts that are not sold on a business day for which a net asset value is calculated will be determined on the basis of the value regarded by the AIFM as appropriate and adequate.

- g. Liquid assets and money market instruments can be valued at their nominal value plus accrued interest or in consideration of scheduled amortisation of historical costs. The latter method can lead to temporary discrepancies between values and the prices that the Subfund in question would receive on selling the investment. The AIFM will check this valuation method in each case and make any necessary changes so as to ensure that these assets are valued as appropriate. If the AIFM believes that a divergence from the regularly amortised historical costs per unit would lead to substantial dilution or other consequences that would be unfair to Unitholders, it must if necessary make any corrections it considers appropriate to prevent or restrict such dilution or negative consequences, subject to appropriate limits.
- h. Swap transactions shall be regularly valued on the basis of the valuations received from the swap counterparties. The values may refer to the bid or offer price, or the mid-price, as determined in good faith by the method stipulated by the AIFM. If, in the opinion of the AIFM, these values do not reflect the fair market value of the swap transactions in question, their value is determined by the AIFM in good faith or using another method that the AIFM considers to be suitable.
- i. All other securities and admissible assets as well as the assets mentioned above for which a valuation according to the stated principles was either impossible or impracticable or for which such a valuation would not reflect their true value are valued at their fair market value as determined in good faith by the method stipulated by the AIFM.
- j. The valuations arrived at in this way shall be converted into the accounting currency at the appropriate mid price. Forward and futures contracts concluded to hedge against currency risk shall be included in the conversion.



The AIFM may, at its sole discretion, allow other valuation methods if it considers this to be in the interest of a fair valuation of the asset value of the Subfund. This applies in particular to bonds acquired by the Subfund, whose stock market price is not expected to differ from the actual value. In any event the AIFM ensures the proper independent valuation of the assets of each Subfund. Where the nature of the assets of a Subfund requires expert valuation, an external valuer will be appointed by the AIFM. The external valuer shall perform its functions impartially and with the requested due skill, care and diligence, and shall not delegate the valuation function to a third party. The external valuer will value the assets using a formal set of guidelines on the basis of widely accepted valuation standards, adapted as necessary to respect individual market considerations and practices.

If the AIFM believes that the calculated net asset value on a particular valuation date does not reflect the actual value of the units of a Subfund, or if significant movements have occurred on the exchanges and/or markets concerned since the net asset value was calculated, the AIFM may decide to update the net asset value on the same day. In these circumstances, all requests for subscription and redemption received for this valuation date will be fulfilled on the basis of the net asset value that has been updated in good faith.

Where different unit classes have been established for the Subfund, the following special points should be noted regarding the net asset calculation:

The net asset value is calculated for each class separately according to the criteria mentioned in this Article.

The inflow of funds resulting from the issue of units increases the proportional contribution of the unit class concerned to the overall value of the Fund's net assets.

The outflow of funds resulting from the redemption of units reduces the proportional contribution of the unit class concerned to the overall value of the Fund's net assets.

When a dividend is paid, the net asset value of the distribution units of the relevant unit class is reduced by the amount of the distribution. Therefore the proportional contribution of the distribution unit class to the overall value of

the net assets of the Fund diminishes, while the proportional contribution of one or more non-distributing unit classes to the overall net assets of the Fund increases.

Income equalisation is carried out in relation to the ordinary net income.

If, owing to special circumstances, the application of the aforementioned principles is impossible or inappropriate, the AIFM is entitled to use other generally accepted valuation principles that can be verified by auditors to ensure an appropriate valuation of the Subfund's assets.

In the event of large redemption orders that cannot be met out of the liquid assets and permitted borrowings of the Subfund concerned, the AIFM may, after obtaining the prior consent of the Depositary Bank, determine the net asset value on the basis of the prices on the valuation day on which it performs the necessary sales of securities for the Subfund.

In such event, the same basis for calculation is applied to subscription and redemption orders of the corresponding Subfund.

### **Article 8: Suspension of the calculation of the net asset value and of the issue, redemption and conversion of units**

The calculation of the net asset value and the issue, redemption and conversion of units may be temporarily suspended by the AIFM, if and for as long as:

- a stock exchange or other regulated market on which a substantial part of the securities is traded is closed (except for weekends and ordinary holidays), or trading is severely restricted or suspended;
- owing to special circumstances, valuation of a Subfund is not economically viable in the opinion of the AIFM;
- the communication techniques used to determine the net asset values fail or have only limited usability;
- owing to special circumstances (e.g. in the case of substantial redemption or conversion orders exceeding a total volume of 10%), the liquidity of a Subfund (including the exhaustion of credit facilities) is not sufficient to fulfil orders in accordance with the provisions of the Management Regulations and the Issuing Document. If redemption/conversion orders on any one trading day exceed 10% of the total volume, redemptions/conversions can be deferred to subsequent trading days. Such

## Management Regulations

orders are then treated with priority over subsequent redemption/conversion orders at the prices applicable at the corresponding time;

- in the case of liquidation of a Subfund on or after the date of the notice to investors;
- in the event that a decision is taken to merge a Subfund or the Fund, where this is justified in order to protect the interests of the investors.

The suspension and resumption of net asset value calculation will be notified immediately to the Unitholders who have offered their units for redemption or conversion.

The AIFM will halt the calculation of net asset value and the issue of units immediately where a situation arises that leads to the dissolution of the AIFM or of a Subfund/Fund.

### Article 9: Expenses of the Subfunds

The Subfunds bear the following expenses:

- all taxes charged to the Subfund on the assets, income and expenses of the Subfund;
- the fees of the AIFM (according to Article 2 of the Management Regulations);
- the respective fees of the Depositary Bank and the registrar and transfer agent, which correspond to the usual rates in Luxembourg and will be paid quarterly in arrears;
- the fee of the Investment Manager(s);
- costs of legal and tax advice, including those incurred by the AIFM or the Depositary Bank, where they act in the interest of Unitholders;
- costs of establishing the Fund/Subfund and the initial issue of units;
- the fees of the Fund's auditor;
- all costs in connection with the purchase and sale of assets of the Subfunds, the issue and redemption of units, including costs to be paid to ensure sufficient liquidity in order to meet redemption requests, and expenses incurred for the payment of dividends;
- all costs incurred by the AIFM due to its activities (e.g. the preparation of documentation and the annual report, printing costs, publication costs, costs in connection with sales promotion and marketing activities/publications, registration fees, costs associated with reporting to supervisory authorities, interest, listing and brokerage costs, out-of-pocket disbursements of the Depositary Bank and of all other agents of the AIFM, costs of calculating and publishing the net asset value and issue/redemption prices, etc.);

- any other costs mentioned in the respective annexes of the Issuing Document.

All expenses and fees are first charged against income, then against capital gains, and only then to the assets of the individual Subfunds.

### Article 10: Accounting year and auditing

The accounting year of the Fund and the Subfunds ends on 28 February of each year. The books of the AIFM and the assets of the Subfund are audited by an auditor certified in Luxembourg who is appointed by the AIFM.

### Article 11: Distributions

The AIFM is entitled to distribute the whole of the available income of the Subfunds, the (realised or as yet unrealised) gains or the capital, in so far as permitted under the 2007 Law and in conformity with the regulations of the individual Subfunds.

The AIFM may at any time decide to pay interim dividends.

### Article 12: Amendments to the Management Regulations

The AIFM may amend all or part of these Management Regulations with the consent of the Depositary Bank.

All amendments to the Management Regulations are lodged with the Luxembourg Trade and Companies Register, and a notice of such lodging is published in the RESA, the Recueil électronique des sociétés et associations. Unless provided for otherwise, they come into force on the day they are signed.

Unitholders will be informed in advance of any amendment to the Management Regulations; in the case of amendments that are potentially disadvantageous for them, if they have not previously agreed to such amendment, a reasonable period of time will be granted to allow them to sell or redeem their units before the amendment comes into force.

### Article 13: Publications

The issue price and redemption price are available from the transfer agent of the Fund. The net asset value of a Subfund can also be obtained on request from the transfer agent. After the end of each accounting year, the AIFM shall make an audited annual report available to the Unitholders,

providing information about the Fund/Subfund, its management and the results achieved. The annual report is available to Unitholders at the registered office of the AIFM and the Depositary Bank.

### **Article 14: Term of the Fund/Subfunds, dissolution and merger**

The Fund has been established for an indeterminate period. Subfunds and/or unit classes can be established for a defined period.

The dissolution of the Fund, a Subfund or a unit class is obligatory in the legally specified cases and at the end of their term in the case of Subfunds and unit classes established for a defined period.

The dissolution of the Fund, a Subfund or a unit class can also take place at any time upon the decision of the AIFM.

Where the Fund, a Subfund or a unit class is dissolved, the Unitholders are obliged to redeem all their units.

The Depositary Bank shall pay out the proceeds of liquidation, less the liquidation costs and fees, on the instruction of the AIFM or where applicable of the liquidators appointed by it or by the Depositary Bank in consultation with the relevant supervisory authority to the Unitholders by transfer to an account nominated by the latter.

In the event of the liquidation of the Fund or of a Subfund or of a unit class, the AIFM can either distribute the liquidation proceeds to the Unitholders after deduction of costs or, at the request of the Unitholders concerned, transfer the

securities contained in the assets of the Subfund or unit class to them. In the latter case the AIFM is entitled to meet the costs arising in connection with the liquidation, and other claims against the Unitholders concerned, by selling assets of a Subfund or unit class.

The AIFM may further decide to merge the assets of a Subfund with another Subfund of the Fund or with the assets of another UCI. A decision for a merger of this nature taken by the Board of Directors will be binding on the Unitholders of the relevant Subfund upon the expiry of a 30-day period after receipt of notification. During this period Unitholders may redeem their units without a redemption charge.

### **Article 15: Limitation period**

Claims of Unitholders against the AIFM or the Depositary Bank lapse if they are not enforced within five years. By subscribing units, investors declare their explicit agreement with this article.

### **Article 16: Applicable law, place of jurisdiction and contract language**

The Management Regulations are subject to Luxembourg law. Any dispute between the Unitholders, the AIFM and the Depositary Bank shall be subject to the jurisdiction of the relevant competent court of the city of Luxembourg.

The contract language is English.

The Management Regulations came into effect on 9 May 2017 and replace the Management Regulations of 31 May 2016.

