GKB (LU)

(hereinafter the "Fund")

A "*fonds commun de placement*" ("FCP") in accordance with Part I of the Luxembourg Law of December 17, 2010 on undertakings for collective investment, established on behalf of Graubündner Kantonalbank, Chur, Switzerland, by Swissanto Asset Management International S.A., Luxembourg.

Sales Prospectus
February 2024

This current Sales Prospectus (the "Sales Prospectus") is distributed to prospective subscribers for units in order to inform them about GKB (LU) (the "Fund") and its sub-funds (the "sub-fund(s)").

In addition to the Sales Prospectus, a document containing key investor information is prepared for each unit class, which is handed over to each purchaser prior to the subscription of units ("Key Investor Information Document"). On subscribing for the units, each purchaser declares that they have received the Key Investor Information Document prior to subscription.

This Sales Prospectus is to be read in conjunction with the latest annual report (or semi-annual report if the latter was published after the last annual report). These reports are an integral part of this Sales Prospectus and, in conjunction with it, form the basis for all subscriptions of Fund units. They can be obtained free of charge from all sales agents.

Only the information contained in this Sales Prospectus and in one of the publicly accessible documents referred to therein is deemed to be valid and binding. Should there be any doubt about the content of this Sales Prospectus, please seek the advice of any person who is able to provide detailed information about the Fund.

The German version of this Sales Prospectus is authoritative. The Management Company and the Depositary may, however, recognise translations authorised by them into the languages of countries in which Fund units are offered and sold as binding on themselves and on the Fund in respect of the units sold to investors in these countries.

Units of the Fund may not be offered, sold or delivered within the United States of America or to persons deemed to be US persons under Regulation S of the US Securities Act of 1933 or the US Commodity Exchange Act, as amended.

Prospective subscribers are advised that there is a risk of loss involved in all forms of investment and that the Fund or the sub-fund(s) and/or the Management Company cannot guarantee or assume liability for achieving specific returns.

Management and administration

Management Company:

Swisscanto Asset Management International S.A., 6, route de Trèves, L-2633 Senningerberg.

Swisscanto (LU) Management Company S.A. was founded as a public limited company in Luxembourg on 1 December 2006, and is established for an indefinite period. At an extraordinary general meeting held on 16 May 2011, a resolution was passed to change the name of the Management Company to Swisscanto Asset Management International S.A.

The current version of the Articles of Association of Swisscanto Asset Management International S.A. dated 5 June 2023 has been filed with the Luxembourg Trade and Companies Register (RCS), where it is available for inspection. The Management Company is registered with the RCS under registration no. B 121.904.

The object of the Management Company is the collective portfolio management of one or more Luxembourg and/or foreign undertakings for collective investment in transferable securities ("UCITS") which are subject to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to certain UCITS (the "Directive 2009/65/EC"), as amended, and of other Luxembourg or foreign undertakings for collective investment which do not come under the scope of said Directive, including specialised investment funds pursuant to the provisions of the Act of 13 February 2007 on specialised investment funds ("UCIs"), and in accordance with the provisions of the Act of 17 December 2010 on undertakings for collective investment, as amended ("UCI Act").

The paid-up capital of the Management Company amounts to CHF 220,000 and is held by Swisscanto Holding AG, Zurich, a holding company under Swiss law. Swisscanto Holding AG is wholly owned by Zürcher Kantonalbank, Zurich.

In accordance with the UCI Act and the applicable administrative provisions of the Luxembourg supervisory authority (*Commission de Surveillance du Secteur Financier*, CSSF), the Management Company has adequate and appropriate organisational structures and internal control mechanisms in place. In particular, it shall act in the best interests of the funds or sub-funds and ensure that conflicts of interest are avoided, that resolutions are complied with, procedures are followed and that the holders of units in the funds and sub-funds managed are accorded fair treatment.

The list of funds managed by the Management Company can be viewed at the registered office of the Management Company.

Board of Directors:

Chairman:

Hans Frey, Switzerland
Managing Director Swisscanto Fondsleitung AG, Zurich

Members:

- Richard Goddard, Luxembourg
  Independent Company Director, The Directors' Office, Luxembourg
- Roland Franz, Luxembourg
  Managing Director Swisscanto Asset Management International S.A., Luxembourg
- Anne-Marie Arens, Luxembourg
  Independent Company Director, Luxembourg
- Steve Michel, Zürcher Kantonalbank, Switzerland

Management:

Members:

- Roland Franz, Luxembourg
- Jasna Ofak, Luxembourg
- Michael Weiβ, Germany

Asset Management:

Graubündner Kantonalbank,
Postfach, 7002 Chur, Switzerland

The management of the Fund assets has been contractually assigned to Graubündner Kantonalbank (hereinafter the "Asset Managmentr").

Graubündner Kantonalbank was founded in 1870 as an autonomous establishment under public law governed by cantonal law with its registered office in Chur.

Graubündner Kantonalbank has strategic holdings of 55% in Privatbank Bellerive AG in Zurich and 51% in Albin Kistler AG in Zurich. The equity capital of Graubündner Kantonalbank is divided into endowment capital, participation capital and reserves. The canton of Graubünden holds 84% of the capital of Graubündner Kantonalbank.

It has many years of experience in asset management. The exact execution of duties is governed by an asset management agreement concluded between Swisscanto Asset Management International S.A. and Graubündner Kantonalbank.

The Asset Management is entitled to remuneration at the customary rates. This will be paid by the Management Company out of the all-in fee that is due to it and charged to the Fund. The Asset Management is charged with investment of the Fund assets in the best interests of the unitholders. It shall act in accordance with the provisions of the law and the contractual conditions. The Management Company takes ultimate responsibility for the actions of the Asset Management.

The Asset Management Agreement may be terminated at any time subject to a period of notice of six months.

Depositary, Principal Paying Agent, Registrar, Transfer Agent:

CACEIS Investor Services Bank S.A., 14, Porte de France, L-4360 Esch-sur-Alzette, Luxembourg

Depositary and Principal Paying Agent

The Management Company has appointed CACEIS Investor Services Bank S.A. (hereinafter "the Bank"), a public limited company under Luxembourg law with its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, as Depositary and Principal Paying Agent (hereinafter the "Depositary") with the following duties:

(a) safekeeping of assets,

(b) monitoring functions,

(c) monitoring of cash flows and

(d) Principal Paying Agent functions.

in accordance with the UCI Act and the Depositary Bank and Principal Paying Agent Agreement of 18 March 2016 concluded between the Management Company, acting on behalf of the Fund, and the Depositary (the "Depositary Agreement"). The Depositary Agreement has been concluded for an indefinite period and may be terminated by either party at the end of any calendar month by giving 90 days' written notice.

CACEIS Investor Services Bank S.A., which was established in 1994 under the name "First European Transfer Agent", is registered with the RCS under registration no. B 47192 It holds a banking licence under the Luxembourg Act of 5 April 1993 on the financial services sector and specialises in depositary, fund management and related services. As of 31 October 2022, own funds amounted to approximately EUR 1,171,602,000.

The assets of the Fund are held in safekeeping by the Depositary. The function of Depositary is governed by the statutory provisions, the Depositary Agreement and the Management Regulations. The Depositary acts independently of the Management

Company and exclusively in the best interests of the unitholders.

The Depositary has been authorised by the Management Company to delegate its safekeeping duties to the following: (i) third parties in the case of other assets and (ii) sub-depositaries in the case of financial instruments. It is also authorised to open accounts with these sub-depositaries.

An up-to-date description of the custody functions delegated by the Depositary and an up-to-date list of the third parties and sub-depositaries appointed may be obtained on request from the Depositary or via the following link: http://gmi.rbcits.com/rt/gss.nsf/Royal+Trust+Updates+Mini/53A7E8D6A49C9AA285257FA8004999BF?opendocument.

When performing its duties under the UCI Act and the Depositary Agreement, the Depositary shall act honestly, transparently, professionally, independently and exclusively in the interests of the Fund and its investors.

The Depositary's monitoring functions include ensuring that:

- the issue, redemption and conversion of units by the Management Company, or by the Management Company acting on behalf of the Fund, are carried out in accordance with the UCI Act and the Management Regulations;
- the value of the units is calculated in accordance with the UCI Act and the Management Regulations;
- the instructions of the Management Company, acting on behalf of the Fund, are executed unless they conflict with the Management Regulations;
- in the case of transactions involving the Fund's assets, all amounts are transferred to the Fund within the normal time limits;
- the Fund's net income is appropriated in accordance with the UCI Act and the Management Regulations.

In addition, the Depositary ensures that cash flows are properly monitored in accordance with the UCI Act and the Depositary Agreement.

Conflicts of interest on the part of the Depositary

Conflicts of interest may arise from time to time between the Depositary and its agents; for example, if the agent is a group company that receives a fee for other custody services that it provides for the Fund. On the basis of the applicable laws and ordinances, the Depositary continuously monitors potential conflicts of interest that may arise during the performance of its function. All potential conflicts of interest identified are dealt with in accordance with the Depositary's conflicts of interest policy, which is in turn subject to the laws and ordinances applicable to financial institutions according to the Act of 5 April 1993 on the financial services sector.

Other potential conflicts of interest may arise on account of the fact that the Depositary and/or its group companies provide other services for the Fund, the Management Company and/or third parties. Thus, the Depositary and/or its group companies may act as depositary and/or manager of other funds. There is therefore a risk that the business activities of the Depositary or its group companies are exposed to (potential) conflicts of interest with the Fund, the Management Company and/or other funds on behalf of which the Depositary (or one of its group companies) is acting.

The Depositary has formulated and implemented a conflicts of interest policy, the primary aim of which is to:

- identify and analyse situations that could give rise to potential conflicts of interest;
- record, manage and monitor conflicts of interest by means of:
  - functional and hierarchical segregation to ensure that the Depositary's duties as depositary are performed separately from any potentially conflicting duties;
  - taking preventative measures to avoid any type of activity that could give rise to conflicts of interest, such as:
    - the Depositary and any third party to which depositary duties have been delegated shall refuse any investment management role;
    - the Depositary shall decline any delegation of compliance and risk management duties;
    - the Depositary has established an effective escalation process to ensure that regulatory breaches are reported to the compliance department, which in turn reports material breaches to the company management and Board.
    - the Depositary has its own specialised audit department that performs risk assessments independently and objectively as well as evaluates internal control procedures and administrative processes in terms of suitability and efficiency.

Based on the aforementioned, the Depositary confirms that no potential conflict of interests has been identified.

The current conflicts of interest policy is available from the Depositary on request or via the following link: https://www.rbcits.com/AboutUs/CorporateGovernance/p_InformationOnConflictsOfInterestPolicy.aspx

The Depositary is entitled to remuneration at the customary rates This will be paid by the Management

Company out of the all-in fee that is due to it and charged to the Fund.

Registrar and Transfer Agent:

The Management Company has delegated its duties as the Fund’s Registrar and Transfer Agent (the “Registrar and Transfer Agent”) to CACEIS Investor Services Bank S.A., with registered office at L-4360 Esch-sur-Alzette, 14, Porte de France, in accordance with the Central Administration Agent Agreement of 1 July 2021. The Central Administration Agreement has been concluded for an indefinite period and may be terminated by either party by giving 90 days’ written notice.

The Registrar and Transfer Agent is responsible for processing subscription and redemption orders, managing the unit register, and accepting unit certificates that are returned for the purpose of replacement or redemption.

The Fund’s Registrar and Transfer Agent is responsible for taking appropriate measures to ensure compliance with the regulations governing the prevention of money laundering in accordance with the legislation in force in the Grand Duchy of Luxembourg and observing and implementing the circulars of the Luxembourg supervisory authority (CSSF).

Depending on the individual subscription or transfer application, the detailed identification of the client may not be necessary provided that the application is made through a financial institution or authorised financial service provider and that this party is simultaneously established in a country that operates rules equivalent to those under the Luxembourg Money Laundering Act. A list of countries that operate rules equivalent to those under the Luxembourg Money Laundering Act is available on request from the Registrar and Transfer Agent.

The Registrar and Transfer Agent is entitled to remuneration at the customary rates. This will be paid by the Management Company out of the all-in fee that is due to it and charged to the Fund.

Fund accounting and net asset value (NAV) calculation:

Swisscanto Asset Management International S.A.

6, route de Trèves, L-2633 Senningerberg

The Management Company shall perform tasks relating to fund accounting and NAV calculation. These functions essentially comprise fund accounting and calculation of the net asset value of fund units, the preparation of the fund’s annual and semi-annual reports and the presentation to the auditor of the annual and semi-annual reports under the terms of Luxembourg law and in accordance with the requirements of the Luxembourg supervisory authority. These tasks will be carried out by Swisscanto Fondsleitung AG as service provider and will be the responsibility of the Management Company.

Independent auditors:

Ernst & Young S.A., 35E, Avenue John F. Kennedy, L-1855 Luxembourg

GKB (LU)

Details

1 General Information about the Fund

1.1 Legal aspects

GKB (LU) is an open-ended investment fund under Luxembourg law and was established in the form of a "*fonds commun de placement*" on 1 February 2016. The Fund is managed by Swisscanto Asset Management International S.A.

CACEIS Investor Services Bank S.A. has been entrusted with the duties of Depositary.

The Fund was first offered for subscription as at 15 February 2016.

It is subject to the statutory provisions of Part I of the UCI Act.

The Management Company is subject to section 15 of the UCI Act.

The portfolios and other assets of the Fund are managed by the Management Company as a discrete pool of assets in the interests and for the account of the unitholders. The Fund assets in their entirety are jointly owned by all the investors, who hold equal entitlements in proportion to their holdings. The assets of the Fund are separate from those of the Management Company. The Management Regulations make no provision for a meeting of unitholders. By subscribing for or acquiring units, the unitholder agrees to abide by the Management Regulations. Unitholders, their heirs and other beneficiaries may not demand the dissolution, division or merger of the Fund.

The Fund is not limited either as to date or amount and its financial year ends on 31 January.

The Management Company would like to make investors aware of the fact that unitholders may not assert all their investor rights directly against the Fund as they are not registered in the Fund's register of unitholders in their own name. Since investors may only invest in the Fund via an intermediary, who acquires the investment in its name but on behalf of the investor, it is possible that not all rights pertaining to the investment can be upheld directly against the Fund by the unitholder. Investors are advised to inform themselves of their rights.

The Management Regulations of the Fund were published for the first time on 27 January 2016 in the "*Mémorial*". A notice of the most recent amendment is published in the electronic platform for companies and associations (hereinafter "RESA"). The current version of the Management Regulations dated 6 November 2023 has been filed with the RCS, where it is available for inspection.

1.1.1 Liquidation

The Management Company is entitled to dissolve the Fund or individual sub-funds at any time. The Fund must be dissolved and liquidated if its total net assets fall short of a quarter of the statutory minimum requirement for fund assets for more than six months. If the net assets of a sub-fund fall below EUR 500,000 or the equivalent in other currencies, or should economic, legal or monetary circumstances change, the Management Company may decide to dissolve a sub-fund, merge two sub-funds or incorporate a sub-fund into another open-ended investment fund in accordance with Part I of the UCI Act.

The decision to dissolve or liquidate the Fund will be published in the RESA and in at least two other newspapers, including the "Luxemburger Wort". From the day on which the dissolution and liquidation decision is made, no further units will be issued or redeemed. In the event of the dissolution and liquidation of a sub-fund, this applies only to the sub-fund in question. Upon liquidation, the Management Company will realise the Fund assets in the best interests of the unitholders and instruct the Depositary to distribute the net liquidation proceeds to the unitholders in proportion to their holdings. Any liquidation proceeds that could not be distributed to the unitholders at the end of the liquidation process will be deposited with the *Caisse de Consignation* in Luxembourg until their distribution becomes statute-barred.

1.1.2 Merger

The Management Company may, by decision of the Board of Directors and, insofar as applicable, in accordance with the conditions and procedures cited in the UCI Act and in the pertinent administrative regulations, merge the Fund or, as the case may be, one or more sub-funds of the Fund with an existing or jointly established sub-fund, or other Luxembourg funds or sub-funds, either by dissolution without winding up, or by continuing to exist until all liabilities are discharged.

No provision is made for a merger with an investment fund established under a law other than that of Luxembourg.

Unitholders are entitled, within 30 days, to demand either that their units be redeemed or, as the case may be, converted into units of another fund or sub-fund which has a similar investment policy and which is managed by the same management company or by another company with which the Management Company is associated, either through common management or control, or by way of a significant direct or indirect holding, without incurring more costs than those retained by the Fund or sub-fund to cover the dissolution costs.

Insofar as applicable, in accordance with the conditions and procedures cited in the UCI Act and in the pertinent administrative regulations, unitholders will be informed in good time of any merger.

1.2 Structure of the Fund

Under a single umbrella fund, the Fund offers investors sub-funds with different investment policies. Together, the sub-funds constitute the Fund or umbrella fund. Every investor participates in the Fund through participation in a sub-fund. In relations between unitholders, each sub-fund is regarded as a discrete pool of assets in its own right. The rights and duties of the unitholders of a given sub-fund are separate from those of the unitholders of the other sub-funds. Each sub-fund is also regarded as a separate fund with regard to the investments and investment policy under section 2.

The Management Company may resolve at any time to set up additional sub-funds. The Management Company will notify the unitholders of this and amend the Sales Prospectus accordingly.

1.3 Unit classes and their distinctive features

1.3.1 General information

The Board of Directors is authorised to create unit classes at any time. The Board of Directors may also decide, where appropriate for economic or legal reasons, to cancel a unit class and to exchange the outstanding units within a sub-fund for units in another unit class. Such resolutions on the part of the Board of Directors will be published in accordance with the provisions laid down in Article 14 of the Management Regulations.

An overview of the active unit classes is available free of charge from the Management Company and is also published on the website www.gkb.ch and in the product information sheet.

1.3.2 Distinctive features of unit classes

For each sub-fund, the Management Company is authorised to offer the following unit classes (hereinafter "Unit classes"):

a) Class A units, which may be subscribed for by all investors. This is a distribution unit class.

b) Class B units, which may only be subscribed to by investors who have concluded a long-term advisory mandate agreement with Graubündner Kantonalbank in writing or otherwise verifiable by text. This is a distribution unit class.

c) Class I units are accumulation units which may only be subscribed to by institutional investors;

d) Class M units are accumulation units and are available to investors who are entitled to hold units in a Graubündner Kantonalbank custody account under employee conditions in accordance with Graubündner Kantonalbank's employee regulations.

e) Class N units are accumulation units and may only be subscribed to by institutional investors who meet the following requirements:

   Investors have concluded a written asset management agreement or a written investment agreement with Graubündner Kantonalbank or invest through a financial intermediary that has concluded a cooperation agreement with Graubündner Kantonalbank.

1.3.3 Institutional investors

The following are deemed to be institutional investors:

- banks and other professional entities operating in the financial sector, whether acting for their own account or acting on behalf of other institutional investors or on behalf of their non-institutional clients under a discretionary management agreement;
- insurance and reinsurance companies;
- pension schemes;
- public entities that invest their own assets;
- industrial, commercial and group finance companies;
- undertakings for collective investment and other fund structures;
- holding companies or similar companies whose shareholders are all institutional investors;
- family holding companies or similar entities whose purpose is to hold financial investments for very high net worth individuals or families;

holding companies or similar entities that, in view of their structure and business dealings, possess genuine intrinsic value independently of the beneficial owners as well as hold significant financial investments.

1.3.4 Currency hedging

Unit classes with an "H" as the second letter of their name, e.g. AH CHF or IH CHF, are unit classes for which systematic currency hedging is conducted. This means currency fluctuations between the currencies of the currency classes and the currencies of account of the sub-funds are, for the most part, hedged.

For all other unit classes, no currency hedging is conducted at unit-class level.

1.3.5 Fee rates

The unit classes differ in terms of the maximum fee rates that are charged annually to the relevant unit class. The maximum annual all-in fee, management fee and administration fee for each sub-fund are stated in the table below.

Fund name	Currency of account	Unit classes	Unit type[1]	Max. annual all-in fee[2]	Max. annual flat management fee[2]	Max. annual flat administration fee[2]
				The sum of the flat management fee and flat administration fee booked may not exceed the rate for the maximum all-in fee.		
GKB (LU) Obligationen EUR ESG	EUR	A	AU	1.10%	1.00%	0.10%
		B	AU	0.80%	0.70%	0.10%
		I	TH	0.60%	0.60%	0.10%
		M	TH	0.60%	0.60%	0.10%
		N	TH	0.00%	0.00%	0.00%
GKB (LU) Wandelanleihen Global ESG	USD	A	AU	1.60%	1.40%	0.20%
		B	AU	1.00%	0.80%	0.20%
		I	TH	0.90%	0.80%	0.20%
		M	TH	0.90%	0.80%	0.20%
		N	TH	0.00%	0.00%	0.00%
GKB (LU) Aktien Europa ESG	EUR	A	AU	1.60%	1.40%	0.20%
		B	AU	1.00%	0.80%	0.20%
		I	TH	0.90%	0.80%	0.20%
		M	TH	0.90%	0.80%	0.20%
		N	TH	0.00%	0.00%	0.00%
GKB (LU) Aktien Welt ESG	USD	A	AU	1.60%	1.40%	0.20%
		B	AU	1.10%	0.90%	0.20%
		I	TH	0.95%	0.85%	0.20%
		M	TH	0.95%	0.85%	0.20%
		N	TH	0.00%	0.00%	0.00%

[1] TH = Thesaurierend (accumulation) / AU= Ausschüttend (distribution)
[2] The all-in fee is made up of two components: the flat management fee and the flat administration fee. The sum of the flat management fee and flat administration fee booked may not exceed the rate for the maximum all-in fee. The fees booked are reported in the annual and semi-annual reports.

1.4 Investor profile

1.4.1 GKB (LU) Obligation ESG EUR

The sub-fund is suitable for investors who wish to invest in interest-bearing securities.

However, investors are expressly advised that changes in the net asset value may be triggered by a number of factors, including, but not limited to fluctuations in interest rates and currencies.

1.4.2 GKB (LU) Wandelanleihen Global ESG

This sub-fund is suitable for investors with a medium-term investment horizon who are seeking to invest in a broadly diversified portfolio of convertible bonds.

1.4.3 GKB (LU) Aktien Europa ESG

This sub-fund is suitable for investors with a long-term investment horizon who are seeking to invest in a broadly diversified portfolio of European equity securities and participation rights

1.4.4 GKB (LU) Aktien Welt ESG

This sub-fund is suitable for investors with a long-term investment horizon who wish to invest in a broadly diversified portfolio of global equity securities and participation rights.

1.5 Risk notice

1.5.1 General information

The asset value of the units may rise or fall. When redeeming their units, unitholders may therefore receive less than they originally paid for them. There is no guarantee of a return on investment.

In addition to the general market risks that are associated with financial investments, there exists a counterparty risk and the currency and transfer risk inherent in foreign investments.

The risk is reduced in that, in accordance with the investment policy, the investments are geared towards ensuring a reasonable distribution of risk, as well as the preservation of capital and liquidity and the generation of an appropriate return on investment.

Nevertheless, it must be emphasised that even fixed-rate investments are subject to risks. The prices of fixed-rate investments may both rise and fall against the original price. This depends, in particular, on the development of money and capital markets, or on the specific developments affecting the issuers in question. The credit risk associated with an investment in fixed-rate securities cannot be completely eliminated, even with careful selection.

Bonds or debt instruments involve a credit risk in relation to the issuer, for which the issuer’s credit rating can serve as a yardstick. The bonds or debt instruments of issuers with a lower rating are generally viewed as securities with a higher credit risk and greater likelihood of the issuer defaulting than the securities of issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulty, this may affect the value of the bonds or debt instruments (it may fall to zero) and the payments made on these bonds or debt instruments (they may fall to zero).

Investments in convertible bonds are subject to interest rate risk as well as market and issuer risk, which may have a negative impact on the net assets of the respective sub-fund. There may also be other risks such as currency risks.

Unlike convertible bonds and bonds-cum-warrants, for contingent convertible instruments (CoCos), conversion into shares or a full or partial write-down of the capital is mandatory, depending on predefined events (for example, the issuer's equity). Conversion into shares or a write-down may be associated with a substantial loss in value or even total loss. CoCos are subordinated bonds and are issued mainly by financial intermediaries, which may result in exposure to sector-specific risks. Depending on the investment policy, investments are made in assets denominated in various currencies. Any investment in a currency that does not correspond to the unit of account of the fund assets is generally associated with a currency risk. As a result of changes in exchange rates, investments may be subject to fluctuations in value and therefore increase the risk of loss. Due to regulatory measures, there may also be a risk that contributions paid in foreign currencies will not be paid or will be deferred. This limited or lack of exchangeability into domestic currency represents a currency conversion risk for the fund assets.

1.5.2 Derivative financial instruments

The Fund takes additional risk positions by using derivative instruments in the pursuit of its investment objective. Derivatives are rights or obligations the valuations of which are derived mainly from the price, price fluctuations and expected price of an underlying instrument. Investments in derivatives are subject to general market risk, management risk, credit risk and liquidity risk. However, because of the specific structuring of derivative financial instruments, the nature of the risk in question may be different and may in some cases be greater than the risks associated with direct investments in the underlying instruments. The use of derivatives therefore not only requires an understanding of the underlying instrument, but also a sound knowledge of the derivatives themselves.

Exposure on the futures and options market and to swaps and foreign exchange is associated with investment risks and transaction costs to which the

Fund would not be subject had it not applied such strategies. These risks include among others:

- The risk that the Management Company's forecasts about future trends in interest rates, securities prices and the foreign currency markets prove in retrospect to be incorrect;
- The imperfect correlation between the prices of futures and options contracts, on the one hand, and movements in the prices of the securities or currencies they are intended to hedge, on the other, means that a complete hedge may not be possible in some circumstances;
- The potential absence of a liquid secondary market for a specific instrument at a given point in time may mean that a derivative position cannot, under certain circumstances, be neutralised (closed out) at a profit, even though this would make sense from an investment policy perspective;
- The risk of not being able to sell the securities underlying the derivative instruments at a favourable time or having to buy or sell them at an unfavourable time;
- The use of derivatives may potentially result in a loss which may be impossible to predict and which may even exceed margin payments;
- The risk of insolvency or payment default on the part of a counterparty.

1.5.3 Market risk

Investments are subject to market fluctuations and the more volatile the financial markets, the greater the market fluctuations. Political and economic uncertainty, currency export restrictions, changes in laws and fiscal frameworks, and other market factors may affect investments and their returns.

1.5.4 Currency risk

Depending on the investment policy, investments are made in assets denominated in various currencies. Any investment in a currency that does not correspond to the unit of account of the fund assets is generally associated with a currency risk. As a result of changes in exchange rates, investments may be subject to fluctuations in value and therefore increase the risk of loss.

Due to regulatory measures, there may also be a risk that contributions paid in foreign currencies will not be paid or will be deferred. This limited or lack of exchangeability into domestic currency represents a currency conversion risk for the fund assets.

1.5.5 Equity risk

Risks associated with investments in equities and equity-like securities arise mainly from major fluctuations in market prices. These result from actual or expected economic developments, new or incomplete information about issuers or markets and the subordinate status of equities compared to debt securities of the same issuer.

1.5.6 Sub-funds with currency classes

Unit classes hedged against foreign currency risk:

The success of the currency hedging transactions cannot be guaranteed and market movements may result in over- or underhedging. A sub-fund does not hold a discrete portfolio of assets for each of its unit classes in the same sub-fund. The assets and liabilities of each unit class are allocated pro rata. In the case of unit classes in which the greater part of the investments is hedged against the currency risk to which the currency of account is exposed, the sub-fund can incur liabilities related to currency hedging transactions entered into with respect to and to the benefit of a single unit class. The costs, profits and losses in connection with these currency hedging transactions are allocated to the respective unit class. However, it cannot be ruled out that in exceptional cases the currency hedging transactions for one unit class may negatively affect the net asset value of the other unit classes.

1.5.7 Investments in emerging markets and developing countries

Emerging markets are still at an early stage of their development and suffer from an increased risk of expropriation, confiscation, high inflation rates, prohibitive fiscal measures, nationalisation and social, political and economic uncertainty.

Compared with conventional bonds, investment in emerging markets is associated with the following risks in particular (non-exhaustive list):

- Liquidity problems,
- Price fluctuations,
- Exchange rate fluctuations,
- Currency export restrictions,
- Purchase and sale restrictions.
- Political risk and associated risk of expropriation, confiscation and inflation.
- Settlement risk (failure to deliver securities or deliver them on time, despite payment having been made)

1.5.8 Risks associated with investments in CoCos

In compliance with the statement of the European Securities and Markets Authority (hereinafter "ESMA"), ESMA/2014/944 ("Potential Risks Associated with Investing in Contingent Convertible Instruments"), investors should note that contingent convertible instruments (hereinafter referred to as "CoCos") may have specific risks such as:

- Threshold risks (trigger level risk): Thresholds are set differently; they determine how high the conversion risk is, depending on the difference between the equity and the threshold;

- Coupon cancellation: coupon payments may be cancelled by the issuer at any point and for any length of time;
- Capital structure inversion risk: In contrast to the traditional capital hierarchy, investors in CoCos can suffer a loss of capital even if this is not the case for shareholders;
- Maturity extension risk: CoCos are issued as instruments with an unlimited maturity and can only be called at pre-determined levels with the approval of the competent authority;
- Unknown risks: The structure of the instrument is innovative and untested;
- Return/valuation risk: The frequently attractive yield on CoCos attracts investors; however, this includes a complexity premium, amongst other things.

1.5.9 Risks associated with REITS

The value of real estate depends on capital market and mortgage rates in particular, but also on general economic growth. Similar to bonds, real estate reacts to changes in interest rates. Depending on market performance, the market price of target funds or real estate companies may be above or below their net asset value or the intrinsic value of the real estate investments. There is often no or only limited liquidity in real estate markets. In some circumstances, subscription and redemption of target funds may be restricted. In addition, individual target funds or real estate companies may hold assets that are difficult to value. Valuations may be based on estimates.

Significantly inflated prices or bubbles may arise in the real estate market. Furthermore, with real estate investments, factors such as regulatory changes, construction cost or schedule overruns, higher maintenance costs, loss of contractual partners (in particular tenants), hidden building defects and legacy issues as well as reduced sales proceeds may decrease the earnings of such a collective investment scheme.

1.5.10 Risks associated with securities lending

a) Counterparty risk

Securities lending involves counterparty risk, i.e. the risk that the loaned securities are not returned or not returned in a timely manner. The principal is required to have a very high credit rating. A very high credit rating means at least a AA rating and refers to the long-term rating of recognised rating agencies; the median of the long-term ratings of the rating agencies is applied.

Counterparties belonging to the same group as the Management Company, and with which the latter conducts securities lending transactions, perform their activities under these transactions with the standard of care customary in commercial transactions. Investors should nevertheless be aware that the Management Company may be exposed to conflicts of interest with the interests of counterparties of the same group.

b) Risk of price changes

The risk is that in the period between the receipt of the collateral in the event the securities lent by the sub-fund are not returned by the borrower and the recovery of the securities, the markets change to the detriment of the Fund and the value of the collateral provided is reduced to a value lower than that of the securities originally borrowed.

To avoid such a loss, haircuts are applied to the collateral. There are also restrictions on the accepted collateral.

c) Liquidity risk

The Fund bears the risk of a negative impact on performance when lent securities offer the borrower additional opportunities for short positions. There is a risk that losses could be suffered (especially if an issuer is downgraded and securities have to be sold because of their rating (forced selling)).

At the same time, borrowed securities can be sold short by other market participants because of the additional liquidity that securities lending enables, which can also put pressure on prices at the same time as the forced selling. For example, short selling and forced selling would simultaneously contribute to increased liquidity losses.

d) Operational risk

If a borrower fails to return securities borrowed from a sub-fund, there is a risk that the collateral provided will have to be sold at a lower value than that of the securities originally borrowed. To avoid such a loss, haircuts are applied to the collateral. Regardless of these risks, various factors (e.g. the incorrect valuation of collateral, negative market performance, a credit downgrade of the issuer, or the illiquidity of the market on which the collateral is traded) may result in the use of collateral having a negative impact, which in turn can lead to a negative performance by the sub-fund.

There is also a risk that the borrowed securities cannot be returned within the given deadline. In this case, the borrower is obliged to compensate in full for any losses suffered as a result of the recovery of the security.

e) Depositary risks

Depositary risk refers to the possibility of loss or lack of access to the Fund's securities deposited with a depositary as a result of insolvency, sanctions, negligence or malicious action on the part of the depositary and any sub-depositaries.

f) Legal risks

Legal risks may arise from changes in the legal framework and/or regulatory requirements for the Fund's Management Company. In the event of the realisation of collateral, legal risks may also arise from the relevant insolvency law.

1.5.11 Sustainability risks

Sustainability risks may be environmental, social or governance events or conditions, the occurrence of which could have an actual or potential material adverse effect on the value of the investment.

1.6 Risk management procedure

The Management Company will apply a risk management procedure for the Fund and each sub-fund in compliance with the UCI Act and other applicable provisions, in particular CSSF Circular 11/512. As part of the risk management procedure, the overall risk of the sub-fund is measured and monitored using the commitment approach. This approach entails converting positions in derivative financial instruments into the corresponding underlying positions.

1.7 Historical performance

For the historical performance of the sub-funds, see the Key Information Documents (“KID”).

2 Investment objective and investment policy

2.1 Investment objective

2.1.1 GKB (LU) Obligationen EUR ESG

This Sub-Fund’s primary investment objective is to achieve appropriate investment returns while observing the investment principles of capital preservation and liquidity.

In order to achieve this objective, it is intended to invest the total assets of the sub-fund in fixed or floating rate securities (notes and similar, as well as securities issued on a discount basis) on a risk diversification basis.

2.1.2 GKB (LU) Wandelanleihen Global ESG

The investment objective of this sub-fund is primarily to achieve high and steady returns, while observing the principles of risk diversification and capital preservation.

In order to achieve this objective, the aim is to invest the total assets of the sub-fund in convertible bonds, convertible notes, bonds with warrants and similar convertible and option rights on equities, on a risk diversification basis.

2.1.3 GKB (LU) Aktien Europa ESG

The investment objective of this sub-fund is primarily to achieve high and steady returns, while observing the principles of risk diversification and capital preservation.

In order to achieve this objective, the aim is to invest the total assets of the sub-fund in European equity securities and participation rights, on a risk diversification basis.

2.1.4 GKB (LU) Aktien Welt ESG

The investment objective of this sub-fund is primarily to achieve high and steady returns, while observing the principles of risk diversification and capital preservation.

In order to achieve this objective, the aim is to invest the total assets of the sub-fund in global equity securities and participation rights, on a risk diversification basis.

2.2 Sub-fund-specific investment policy

2.2.0 General information

Fixed-income and floating-rate securities, debt securities and money market instruments are bonds, notes, convertible bonds, convertible notes, bonds-cum-warrants, hybrid preferred debt securities, contingent convertible instruments (CoCos), bond and money market funds, as well as structured products such as certificates on interest-bearing securities and money market instruments, bond indices, etc.

Equity securities and participation rights comprise not only shares but also REITs[3] (Real Estate Investment Trusts) and other equity interests (e.g. cooperative society shares, non-voting stock, participation certificates, equity funds and structured products such as certificates on equity securities, equity indices, etc., provided these structured products have the characteristics of a security as defined in Article 41(1)(a) to (d) of the UCI Act and similar), as

[3] These are closed or open-ended funds pursuant to Article 41(1)(e) of the UCI Act or listed companies pursuant to Article 41(1)(a) to (d) of the UCI Act.

well as securities and rights which embody the right to acquire equity securities and participation rights by subscription or exchange, in particular warrants.

Equity securities and participation rights of companies that have their registered office or conduct the majority of their business in the geographical area defined in the sub-fund-specific investment policy are regarded as equities.

The sub-funds may use derivatives for currency hedging.

2.2.1 ESG approach

Sub-funds with "ESG" in their name shall invest a defined proportion of their net assets in investments that meet the criteria of sustainable business practices (ESG: Environment, Social, Governance), i.e. in a sustainable investment universe.

Sustainability in business is characterised by the pursuit of economic success while taking environmental and social objectives into account as well as the use of good corporate governance practices. In principle, the approach ensures that investments are not made in companies that do not have good corporate governance procedures.

In defining the sustainable investment universe, exclusion criteria are applied and ESG factors, i.e. environmental (E), social (S) as well as governance factors (G) are taken into account.

The sustainable investment universe is defined using a multi-stage process:

Exclusion criteria are applied to the entire investment universe of the sub-funds. Companies that produce controversial weapons such as cluster munitions, landmines, etc. are excluded from the entire investment universe of all sub-funds for direct investments.

The sustainable investment universe is defined by taking into account the percentage of a company's turnover generated by conventional weapons, tobacco or coal, for example.

Violations of applicable UN conventions or standards (e.g. through human rights violations, corruption, etc.) and ESG ratings of the companies concerned are also taken into account. Should changes occur with regard to these criteria, companies can also later be excluded temporarily or permanently from the sustainable investment universe.

When selecting individual securities from the sustainable investment universe, the ESG rating is taken into account as a positive selection criterion.

Target funds are assessed according to ESG criteria and included in the sustainable investment universe if they take ESG criteria into account as part of their investment policy. Investments included in the target funds do not necessarily have to fully comply with the ESG criteria.

Sources from internal and external data providers are used to define the sustainable investment universe.

Given that sustainability risks may have a negative impact on returns, the aim of this procedure is to identify ESG risks in order to take account of these in the investment process. The Asset Management subsequently also uses the analyses when making investment decisions.

The ESG process does not implement the requirements of Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and thus does not specifically invest in sustainable investments within the meaning of this Regulation.

All sub-funds that implement the ESG approach fall within Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector. They also consider principal adverse impacts (PAIs) on sustainability indicators. The mandatory indicators from Annex 1 of Regulation (EU) 2019/2088 are used for this purpose. Any relevant information in this respect shall be disclosed in the annual report.

Further details on the implementation of the approach can be found in the respective sub-fund annex to the Sales Prospectus.

2.2.2 Sub-fund-specific investment policy

The currency reference in the name of the relevant sub-fund indicates that it is mainly invested in bonds denominated in that currency. To achieve the investment objective, a sub-fund may also use derivative instruments (futures, interest rate swaps, etc.), special investment techniques and structured financial instruments such as certificates. The limitations defined in section 2.3.1 f) “Derivative financial instruments (“derivatives”)” apply to their use.

In addition, each sub-fund may hold up to 20% in

cash and other liquid assets. For further information, please refer to section 2.3.1 h) and section 2.3.2 q) regarding restrictions on the use of cash and other liquid assets.

2.2.3 GKB (LU) Obligationen EUR ESG

The sub-fund shall invest at least two-thirds of its net assets in investments that meet the criteria of sustainable business practices as described in section 2.2.1 “ESG Approach".

2.2.4 GKB (LU) Wandelanleihen Global ESG

The sub-fund shall invest at least two-thirds of its total assets in convertible bonds, convertible notes, bonds with warrants and similar conversion and option rights on shares of private and public sector borrowers worldwide, taking into account the ESG criteria described in accordance with 2.2.1. The synthetic formation of convertible and bonds-cum-warrants is permitted. The sub-fund may also invest up to 20% in equity securities.

2.2.5 GKB (LU) Aktien Europa ESG

The sub-fund aims to invest all of its net assets in equity securities and participation rights of companies domiciled in the European region, excluding Switzerland. The selection of investments will reflect the Asset Management's investment strategy, which is based on an internally proven multi-factor model. Key factors include a company's quality, momentum, valuation and ESG risks. The model provides the basis for the Asset Management's decisions. Value added for the investor results from the participation in long-term factor premiums and the systematic implementation of the model.

2.2.6 GKB (LU) Aktien Welt ESG

The sub-fund intends to invest all of its net assets in global equity securities and participation rights. The selection of investments will reflect the Asset Management's investment strategy, which is based on an internally proven multi-factor model. Key factors include a company's quality, momentum, valuation and ESG risks. The model provides the basis for the Asset Management's decisions. Value added for the investor results from the participation in long-term factor premiums and the systematic implementation of the model.

2.2.7 Information on the benchmark indices

a) Administrators of the benchmark indices

Pursuant to 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 (the "Benchmark Regulation"), benchmark administrators must appear in the Register of administrators and benchmarks maintained by ESMA in accordance with Article 36 of the Benchmark Regulation. The benchmark indices cited in this Sales Prospectus are managed by authorised or registered administrators.

b) Use of benchmark indices within the investment policy of the sub-fund GKB (LU) Obligationen EUR ESG

The securities within this sub-fund are selected on a discretionary basis using a consistent investment process ("active management"). In terms of the composition of the portfolio, the selection and weighting of securities is focused on companies included in the Bloomberg Euro-Aggregate TR Index. Deviation from the benchmark index may be moderate.

The investment policy is guided by and aims to outperform this benchmark index. Based on the market situation and risk assessments, the Asset Management may at any time actively over- or underweight individual securities or sectors to a greater or lesser extent, deviating in both directions from the benchmark index.

The benchmark index is not focused on investments in the sense of the ESG approach. However, the Asset Management selects from the investment universe those securities that fulfil the requirements of the ESG approach for the relevant portion of the portfolio.

c) Use of benchmark indices within the investment policy of the sub-fund GKB (LU) Wandelanleihen Global ESG

The securities within this sub-fund are selected on a discretionary basis using a consistent investment process ("active management"). In terms of the composition of the portfolio, the selection and weighting of securities is focused on companies included in the Refinitiv Global Focus Convertible Index. Deviation from the benchmark index may be significant.

The investment policy is guided by and aims to outperform this benchmark index. Based on the market situation and risk assessments, the Asset Management may at any time actively over- or underweight individual securities or sectors to a greater or lesser extent, deviating in both directions from the benchmark index.

The benchmark index is not focused on investments in the sense of the ESG approach. However, the Asset Management selects from the investment universe those securities that fulfil the requirements of the ESG approach for the relevant portion of the portfolio.

d) Use of benchmark indices within the investment policy of the sub-fund GKB (LU) Aktien Europa ESG

The securities within this sub-fund are selected on a discretionary basis using a consistent investment process ("active management"). In terms of the composition of the portfolio, the selection of securities is focused on companies included in the MSCI Europe ex Switzerland Index. Deviation from the benchmark index may be significant. The investment policy is guided by and aims to outperform this benchmark index. Based on the market situation and risk assessments, the Asset Management may at any time actively over- or underweight individual securities or sectors to a greater or lesser extent, deviating in both directions from the benchmark index.

The benchmark index is not focused on investments in the sense of the ESG approach. However, the Asset Management selects from the investment universe those securities that fulfil the requirements of the ESG approach for the relevant portion of the portfolio.

e) Use of benchmark indices within the investment policy of the sub-fund GKB (LU) Aktien Welt ESG

The securities within this sub-fund are selected on a discretionary basis using a consistent investment process ("active management"). In terms of the composition of the portfolio, the selection of securities is focused on companies included in the MSCI World TR Net USD Index. Deviation from the benchmark index may be significant. The investment policy is guided by and aims to outperform this benchmark index. Based on the market situation and risk assessments, the Asset Management may at any time actively over- or underweight individual securities or sectors to a greater or lesser extent, deviating in both directions from the benchmark index.

The benchmark index is not focused on investments in the sense of the ESG approach. However, the Asset Management selects from the investment universe those securities that fulfil the requirements of the ESG approach for the relevant portion of the portfolio.

f) Use of an internal procedure in the event of the discontinuation of the benchmark index, or material changes thereto

If the benchmark index is no longer provided by the administrator or is subject to material changes, the Management Company has developed a protocol enabling it to maintain the sub-fund's investment policy, continuing without a benchmark index until a switch to another suitable benchmark index can be made. The protocol is available free of charge from the Management Company and can be requested in paper or electronic format.

2.3 Provisions applicable to all sub-funds

2.3.1 Authorised investments are:

a) Securities and money market instruments

The Fund may invest in securities and money market instruments that are admitted to trading on a regulated market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II), or that are traded on another recognised and regulated market that operates regularly and is open to the public in a member state of the European Union (EU) or a state in Europe, Africa, Asia, Oceania or America.

b) New issues

The Fund may invest in securities and money market instruments originating from new issues provided the conditions of issue include the obligation to apply for official listing on a stock exchange or other recognised and regulated market that operates regularly and is open to the public in a member state of the EU or a state in Europe, Africa, Asia, Oceania or America, and provided admission to trading takes place within one year of issue.

c) Money market instruments (unlisted)

The Fund may invest in money market instruments which are not traded on a stock exchange or on another regulated market provided their issue or their issuers are subject to investment and investor protection regulations, on condition that these money market instruments satisfy the conditions laid down in Article 41 (1) h) of the UCI Act.

d) Liquidity

The Fund may invest in demand deposits and time deposits. These are deposits with credit institutions domiciled in an EU member state or in a non-EU member state that can be terminated at any time or within a period of no more than 12 months. In the case of credit institutions domiciled in non-EU member states, investments are only permitted if these credit institutions are subject to supervisory regulations which are equivalent to those under EU law.

e) Investments in fund units

The Fund may invest in units of UCITS of the open-ended investment type within the meaning of Directive 2009/65/EC and/or other UCIs within the meaning of the UCI Act domiciled in a member state of the EU or a third country, provided that:

- such other UCIs have been approved in accordance with legislation subjecting them to prudential supervision that, in the opinion of the CSSF, is equivalent to that which applies under EU law, and that adequate provision exists for ensuring cooperation between authorities;
- the level of protection afforded to unitholders in other UCIs is equivalent to that afforded to unitholders in a UCITS and, in particular, the rules governing the separate safekeeping of Fund assets, borrowing, lending and the short-selling of securities and money market instruments are equivalent to the requirements laid down in Directive 2009/65/EC;
- the business operations of such other UCIs are reported in semi-annual or annual reports to enable an assessment to be made of the assets and liabilities, income and transactions during the reporting period;
- the UCITS or the other UCIs in which units are to be acquired may not be permitted, under the terms of their founding documents, to invest more than 10% of their fund assets in the units of other UCITS or UCIs.

The Fund may acquire units in UCITS or other UCIs that are managed directly or indirectly by the Management Company itself or by a company with which it is affiliated by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes.

The Management Company and the other company may not charge any issue or redemption fees in this regard.

f) Derivative financial instruments (“derivatives”)

The Fund may invest in derivative financial instruments (“derivatives”), including equivalent cash-settled instruments that are traded on one of the regulated markets described above and/or derivative financial instruments that are not traded on a stock exchange (“OTC derivatives”), provided that:

- the underlyings are instruments as defined in Article 41(1) of the UCI Act, financial indices, interest rates, exchange rates or currencies in which the UCITS may invest in accordance with the investment objectives stated in its founding documents;
- the counterparties in OTC derivatives transactions are institutions in one of the categories that have been authorised by the CSSF, which are subject to prudential supervision; and
- the OTC derivatives are reliably and verifiably valued on a daily basis and can be sold, liquidated or closed out by a countertrade at the initiative of the UCITS at any time at fair value.

g) Other investments

The Fund may, in compliance with the investment restrictions, invest in other securities or money market instruments than the aforementioned permissible securities or money market instruments.

h) Cash and other liquid assets should be limited to demand deposits, such as cash (i) available at any time to make current or extraordinary payments or (ii) for the period necessary to reinvest in eligible assets in accordance with Article 41(1) of the UCI Law or (iii) for a period during which adverse market conditions prevail.

2.3.2 Investment restrictions

The following rules must be observed for sub-fund investments:

a) A sub-fund may not acquire more than 10% of the outstanding securities, debt instruments or money market instruments or more than 10% of the non-voting shares of a single issuer. It may not hold more than 25% of the units in the same UCITS or other UCIs.

b) Subject to the exceptions mentioned explicitly, no more than 10% of the net assets of a sub-fund may be invested in securities and money market instruments from the same issuer. The total volume of the securities and money market instruments from issuers in which more than 5% of net assets is invested may not exceed 40% of the net assets of any sub-fund.

c) Investments must not confer rights on the Management Company that enable it to exert significant influence over an issuer’s operations.

d) Furthermore, the restrictions stipulated under a) and c) do not apply to equity securities and participation rights that allow the sub-fund to participate in the capital of a company that is registered in a state outside the EU and invests its assets principally in the securities of issuers registered in that state if, according to the laws of that state, that issuer represents the only medium for investment in securities of issuers in that state. However, this exception applies only if the company registered outside the EU observes the investment restrictions of the sub-fund in question in its own investment policy.

e) The 10% limit referred to in b) is raised to a maximum of 25% for covered bonds within the meaning of Article 3 (1) of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and the covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU and for bonds issued before 8 July 2022 by a credit institution domiciled in a Member State of the EU that is subject to special regulatory supervision by virtue of statutory provisions protecting the holders of such bonds. Specifically, the proceeds of the issue of these debt instruments must be invested, in accordance with statutory provisions, in assets which will provide sufficient cover for the liabilities arising in connection with the debt instruments for the entire term of these securities. The assets in which the proceeds are invested must be earmarked primarily for repaying the principal and paying the interest in the event of the issuer's default. Should a sub-fund invest more than 5% of its net assets in debt instruments as defined in this paragraph that are issued by a single issuer, the combined value of these investments may not exceed 80% of the value of the sub-fund's net assets.

f) The 10% restriction stipulated in b) may be raised to a maximum of 35% if the securities and money market instruments in question are issued or guaranteed by: (i) a member state of the EU, (ii) its regional authorities, (iii) another western European member state of the Organisation for Economic Cooperation and Development (OECD), (iv) the United States of America, (v) Canada, (vi) Japan, (vii) Australia and (viii) New Zealand, or (ix) an international public organisation of which one or more EU states are members. These securities and money market instruments are not taken into account in calculating the 40% limit mentioned in b).

g) **The 10% restriction stipulated in b) may be raised to a maximum of 100% if the securities and money market instruments in question are issued or guaranteed by a state, provided that:**

- **the state is a member of the EU or is an OECD state,**
- **the sub-fund holds securities and/or money market instruments from at least six different issues; and**
- **the securities and/or money market instruments from a single issue do not exceed 30% of the net assets of a sub-fund.**

h) In the case of transactions involving OTC derivatives and/or techniques for the efficient management of the portfolio, e.g. securities lending, the risk exposure per counterparty may not exceed 10% of the net assets of a sub-fund where the counterparty is a credit institution pursuant to the UCI Act. In all other cases, the risk per counterparty may not exceed 5% of the net assets of a sub-fund.

i) A maximum of 20% of the net assets of a sub-fund may be invested in deposits with one and the same institution.

j) The overall risk from the use of derivative financial instruments may not exceed 100% of the net assets of a sub-fund and, taking into account the necessary cover, may neither exert a leverage effect on the assets of the sub-funds nor correspond to a short sale. Therefore, the overall risk of the sub-fund may not exceed the net assets of a sub-fund on a lasting basis. Temporary borrowing may not increase the overall risk of the sub-fund by more than 10%, meaning that the overall risk may never amount to more than 110% of the net assets of a sub-fund. With regard to investments in derivative financial instruments, the overall risk of the corresponding underlyings, provided they are not index-based derivatives, may not exceed the limits given under b), e), f), g), h), i), k), m) and o). The use of derivatives may not, however, lead to a deviation from the investment objectives or to a change in the investment character of the sub-funds, even under extraordinary market conditions.

Each sub-fund may invest no more than:

k) 10% of its net assets in units of other UCITS and/or UCIs as described in section 2.3.1 e);

l) 20% of its net assets in demand and time deposits as described in section 2.3.1 d);

m) one third of its net assets in money market instruments as described in section 2.3.1 c);

n) 10% of its net assets in other investments as described in section 2.3.1 g).

o) Subject to the exceptions stated under e), f) and g) and notwithstanding the upper limits laid down in b) first sentence, h) and j), a sub-fund may invest a maximum of 20% of its net assets in a combination of the following with one and the same institution:

- securities and money market instruments issued by this institution,
- deposits with this institution and/or
- Risks arising from transactions in OTC derivatives acquired from this institution and/or involving techniques for the efficient management of the portfolio.

p) Up to 10% of a sub-fund’s net assets may be invested in contingent convertible instruments (CoCos).

q) Cash and liquid assets in the form of demand deposits within the meaning of sub-section 2.3.1 h) are limited to 20% of the net assets of the respective sub-fund. These restrictions may only be exceeded temporarily and for as long as strictly necessary on account of exceptionally unfavourable market conditions and if such excess is justified with regard to the interests of the unitholders.

Should the limits laid down in section 2.3.2 be exceeded unintentionally, priority must be given to bringing investments down to below the set percentages while safeguarding the interests of unitholders.

Unless it is stated specifically that they relate to the assets of the Fund in their entirety, the percentage restrictions stated above refer to the assets of each individual sub-fund. These restrictions do not apply in the event that subscription rights are exercised.

Irrespective of their obligation to ensure compliance with the principle of risk diversification, newly authorised sub-funds may deviate from the investment restrictions for a period of six months following their launch.

2.3.3 Unauthorised investments

The Fund may not:

a) grant exercise rights or other subscription rights for units in the Fund;

b) use the Fund’s assets as a guarantee of securities issues;

c) grant loans or act as guarantor for third parties;

d) invest directly in real estate, commodities, precious metals or commodity contracts or in securities issued by the Management Company;

e) short-sell securities.

The Management Company may determine further investment restrictions at any time in the interests of the unitholders, provided such restrictions are necessary to comply with the laws and regulations of the countries in which the Fund's unit certificates are offered and sold.

2.3.4 Investment techniques and instruments

a) Repos

The Management Company does not enter into securities repurchase agreements.

b) Loans

In principle, the Fund may not take out loans or temporarily overdraw its accounts. However, a sub-fund may take out loans for the purchase of foreign currencies in the form of a back-to-back loan or temporarily borrow up to 10% of the net assets.

c) Derivative financial instruments may be used for the following purposes in particular:

c1) Management of currency exposures,

Through the use of currency forwards and currency swaps, the sub-fund may hedge as well as efficiently manage its currency exposure.

The sub-fund may also enter into a desired currency exposure in a currency permitted in the individual sub-fund’s investment policy by means of a currency link to a financial instrument via the use of currency forwards and currency swaps. In such cases the currency exposure does not necessarily have to be built up in the sub-fund’s currency of investment or account. Instead it can be achieved in a chosen, permitted investment currency of the sub-fund.

c2) Managing interest rate, currency and credit risks

In addition to the above transactions, the sub-fund may enter into futures and options transactions as well as swap transactions (interest rate swaps and combined interest rate and currency swaps as well as total return swaps), both for hedging purposes and for efficient portfolio management.

c3) Total return swaps

Total return swaps may be conducted for each sub-fund for the purposes of efficient portfolio management. The Management Company does not currently plan to make use of total return swaps. If the Management Company wishes to make use of this option, between 40% and 60% of the assets of the relevant sub-fund would normally be covered by total return swaps.

However, the Management Company reserves the right to transfer up to 100% of the assets held in the relevant sub-fund into a total return swap, depending on market conditions, with the aim of efficient portfolio management in the interests of investors.

Both positive and negative income from total return swaps are fully taken into account in the fund assets.

c4) Managing credit risk

The sub-funds may also use securities (credit-linked notes; hereinafter “CLNs”) as well as techniques and instruments (credit default swaps; hereinafter “CDS”), both for hedging purposes and with a view to the efficient management of credit risks.

A CLN is a structured debt security with an embedded CDS.

CLNs are issued by financial institutions which have a high rating and they qualify as securities/money market instruments; in cases in which the CLNs are not listed or traded on a regulated market, investments in CLNs must be limited to the 10% level specified in section 2.3.2 n). In cases where the CLNs are listed or traded on a regulated market, the aforementioned 10% limit does not apply. In addition, the investment restrictions specified in sections 2.3.2 b), e), f), g), h), o) and l) apply to CLNs. These statutory restrictions relate both to the issuer of the CLN and to the CLN’s underlyings.

d) Within the scope of the investment policy, the Board of Directors may pledge a sub-fund’s assets or transfer ownership thereof as collateral in connection with transactions involving derivative financial instruments.

e) Securities lending

e1) With a view to the efficient management of assets and for the purpose of generating additional income, a sub-fund may, in compliance with the pertinent legal provisions, employ securities lending techniques and instruments:

- provided they are permitted under Article 42(2) of the UCI Act and Article 11 of Directive 2007/16/EC of 19 March 2007 (Eligible Assets Directive).
- Generating additional income is possible and
- depends on current market conditions.

e2) When engaging in securities lending transactions, the sub-fund acts as lender, in which capacity it surrenders a security to the borrower, which the latter may dispose of for a limited period and for which the sub-fund receives a fee.

e2.1) Principal

Zürcher Kantonalbank shall be the sole direct borrower (principal) and the sole direct counterparty for securities lending transactions. As an independent public-law institution of the Canton of Zurich, it holds an unlimited state guarantee. As such, it is subject to prudential supervision by the Swiss Financial Market Supervisory Authority (FINMA), whose rules are recognised by the CSSF as equivalent to those enshrined in EU law.

e2.2) Agent

RBC Investor Services Trust has been appointed agent for securities financing transactions. The agent is responsible for the operational aspects of the loan, the recovery of the security and the distribution of income to the sub-funds. In addition, the agent ensures that the amount of the collateral is adequate after the valuation discount and is in accordance with the admissibility criteria.

e3) Securities lending may not result in a change in the investment objective, nor may it entail substantial additional risks as compared with the original risk strategy.

The risks to which securities lending exposes a sub-fund shall be appropriately addressed by the risk management procedure. A detailed overview of the risks can be found in section 1.4.5 “Risks associated with securities lending” of this Sales Prospectus.

e4) The Management Company will not accrue any income from securities lending transactions. All proceeds from securities lending shall be credited to the sub-fund involved in this securities lending less the fee paid to the agent for its securities lending services.

91% of the total gross income generated by the securities financing business goes into the fund assets. The agent receives the remaining 9%.

e5) All securities transferred under a securities lending transaction may be transferred back at any time and all securities lending agreements may be terminated at any time. Securities lending transactions shall be factored into the risk management procedure for liquidity risks in order to ensure that a sub-fund can meet its redemption obligations at all times.

e6) Up to 60% of the assets of a sub-fund may be used for securities lending, depending on the respective market conditions, the objective of efficient portfolio management and in the interests of investors. Typically, this is likely to be up to 20% of the assets used of the relevant sub-fund. The actual value of the securities lending invested in the Fund's assets can be found in the latest annual report (or semi-annual report).

e7) No sub-fund currently uses securities lending.

f) Collateral management

f1) The risk positions that arise for a counterparty as a consequence of transactions involving OTC derivatives and techniques for efficient portfolio management will be combined for the purpose of calculating the thresholds of counterparty risk exposure as set out in Article 43 of the UCI Act.

f2) If a sub-fund engages in transactions in OTC derivatives and uses techniques for efficient portfolio management, counterparty risk exposure may, in accordance with ESMA/2014/937 (Guidelines on ETFs and other UCITS issues) and ESMA's CESR/10-788 (CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS), be reduced by accepting collateral insofar as it satisfies the following criteria. The same criteria apply to collateral received in connection with securities lending, unless otherwise stated.

f2.1) The following assets are accepted as eligible collateral:

- Cash and sight deposits – except for securities lending purposes – which are denominated in USD, EUR or CHF or the reference currency of a sub-fund and are deposited with legal entities pursuant to Article 50(f) of the UCITS Directive;
- Highly liquid bonds issued by issuers with a high credit rating, which enjoy brisk trading on a regulated market with transparent pricing, in order that they can be sold at short notice with no loss of liquidity. Moreover, the collateral must be valued at least once on every trading day. The term of the bonds is limited to a maximum of 20 years;
- Shares traded on a regulated market in a member state of the EU or on a stock exchange in an OECD member state and from issuers from these countries. In addition, these shares must enjoy brisk trading, with transparent pricing and high liquidity assured.

f2.2) Valuation of collateral
Collateral in the form of securities is valued at least once daily at the last known market price and in accordance with standard market practice. The exchange on which the securities are listed and which is the main market for this security is used for the valuation.

f2.3) Safekeeping of collateral
The collateral received is held by the Depositary and its sub-depositaries on accounts separate from the assets. In the case of securities lending, the Depositary shall transfer the custody of the collateral to the agent, which may also use its sub-depositaries for this purpose.

f2.4) Cash collateral
Cash collateral accepted may only be invested in high-quality government bonds or in short-dated money market funds in accordance with the definition in the CESR's Guidelines.
By reinvesting cash collateral, a sub-fund is also exposed to the interest rate, credit and liquidity risks attached to the respective government bonds or money market funds, which may manifest should the counterparty default or be in arrears.

In the case of securities lending, cash collateral or sight deposits are not considered collateral, which excludes reinvestment in this regard.

f2.5) Correlation

The collateral accepted by the sub-fund must be issued by a legal entity which is independent of the counterparty and has no high correlation with the performance of the counterparty.

f2.6) Diversification of collateral

Collateral must be suitably diversified in terms of countries, markets and issuers. The criterion of suitable diversification is deemed to be satisfied in respect of issuer concentration if the sub-fund receives from the counterparty to the securities lending transaction and/or OTC derivatives transactions a collateral basket for which the maximum exposure to any particular issuer is 20% of the net asset value.

f2.7) Operational and legal risks in connection with collateral management must be calculated, controlled and reduced through the risk management process.

f2.8) In cases involving transfers of rights, the collateral accepted must be held in safekeeping by the sub-fund's Depositary. Under other types of collateral agreements, the collateral may be held by a third party which is subject to supervision and is not in any way connected with the provider of the collateral.

f2.9) The sub-fund may realise accepted collateral at any time without conferring with the counterparty or requiring the latter's approval.

f3) Haircut strategy

The Management Company has defined a strategy for imposing appropriate, conservative discounts on the collateral received ("haircut strategy").

The valuation discounts on collateral results in cover of more than 100%. This takes account of the fact that the valuation of the collateral or the liquidity profile of this asset changes daily. The adjusted collateral valuation achieved with the haircut may at no time fall below the Fund's counterparty exposure.

The haircut strategy factors in the characteristics of the collateral, the nature and credit rating of the issuer of the collateral, the price volatility of the collateral, the currency and the results of possible stress tests that can be run on the collateral. If a sub-fund accepts collateral for at least 30% of its assets, it is required to have a suitable stress test strategy in place in order to ensure that said sub-fund can, in normal as well as extraordinary liquidity conditions, assess the liquidity risk associated with this collateral.

Owing to the different price volatilities, the haircuts on bonds are graded according to rating class. The bandwidth for haircuts on bonds is between 3% and 7%, and haircuts on shares amount to at least 12%. The appropriateness of the haircuts applied is reviewed at regular intervals, but no less than once a year, and the haircuts are adjusted accordingly if required. In the event of significant changes in the markets, haircuts will be reviewed immediately.

3 Participation in the Fund

3.1 Conditions for the issue, redemption and conversion of units

Units in a sub-fund are issued or redeemed on each bank business day in Luxembourg. A "bank business day" is any normal bank business day (i.e. days on which the banks are open during normal business hours in Luxembourg) with the exception of individual non-statutory holidays in Luxembourg. "Non-statutory holidays" are days on which banks and financial institutions are closed. Units are not issued or redeemed on days on which the exchanges of the main countries in which the sub-funds invest are closed, or if the sub-funds' assets cannot be properly valued. No issues or redemptions take place on days on which the Management Company has decided not to calculate the net asset value as described in section 3.6.

The Management Company is entitled at its own discretion within the scope of its distribution activities to reject subscription orders and to temporarily or permanently suspend or limit the sale of units to natural persons or legal entities in certain countries or regions, or to permit subscriptions for specific sums of money. The Management Company may also repossess units at any time if they are in the possession of unitholders who are not permitted to acquire or hold units or particular classes of units.

The Management Company does not permit any market timing or activities which might be deemed equivalent to market timing. It reserves the right to refuse subscription and conversion orders from an investor whom the Management Company suspects of engaging in such activities, as well as to take the necessary steps in order to protect the other investors in the Fund.

Units are issued, redeemed and converted on the basis of orders received by the Depositary during usual local business hours but by no later than 15:00 Luxembourg time on a Luxembourg bank business day (order date).

The net asset value used for the calculation of the issue, redemption and conversion price is calculated on the following valuation day on the basis of the last known prices. Orders received after such time will be treated in the same way as those received on the following bank business day.

Subscriptions, redemptions and conversions are therefore effected on the basis of an unknown net asset value (forward pricing).

The individual valuation principles are described in the following paragraph.

3.2 Net asset value, issue, redemption and conversion prices, swinging single pricing

In accordance with Article 8 of the Management Regulations and section 3.1 of this Sales Prospectus, the net asset value (NAV) of the units is calculated by the Management Company for each separate sub-fund or unit class on each bank business day in Luxembourg.

The net asset value of a unit in a unit class or currency class is expressed in the currency of account of the sub-funds and is determined by dividing the entire assets of the sub-fund, unit class or currency class by the number of outstanding units of the sub-fund or the respective unit class or currency class.

The net asset value is rounded to the nearest 0.01 of the unit of account.

The net assets of a given sub-fund (sub-fund assets) correspond to the difference between the sub-fund's total assets and its total liabilities.

The total net assets of the Fund are expressed in euro (EUR) and correspond to the difference between the total assets of the Fund and its total liabilities. For the purpose of this calculation, the net assets of each sub-fund are converted into EUR, if they are not already expressed in EUR, and totalled.

Distributions in favour of the distribution units have the effect of reducing the net asset value of the distribution units by the amount distributed. By contrast, the net asset value of accumulation units remains unaffected by this process.

The assets of each sub-fund or unit class are valued as follows:

a) Securities, derivatives and other investments listed on a stock exchange are valued at the latest available prices.

   Should these securities, derivatives and other investments be listed on several exchanges, the latest available price on the exchange that represents the primary market for these investments shall apply.

   In the case of securities, derivatives and other investments not commonly traded on an exchange and for which a secondary market among securities traders exists with market-compliant price discovery, the Management Company may value these securities, derivatives and other investments based on these prices.

   Securities, derivatives and other investments that are not listed on a stock exchange, but are traded on another regulated market that operates regularly and is recognised and open to the public, are valued at the latest available price on this market.

b) Securities and other investments that are neither listed on a stock exchange nor traded on a regulated market are valued at the last available market price. If no such price is available, the Management Company will value the securities according to other criteria, to be determined by the Board of Directors. The Management Company will base its calculation on the probable selling price, the level of which will be estimated with due care and to the best of the Management Company's knowledge.

c) Money market instruments that are not listed on an exchange, but are traded on another regulated market that operates regularly and is recognised and open to the public, may be valued as follows: The valuation price of such investments, based on the net acquisition price, shall be progressively adjusted to the redemption price while keeping the resulting investment return constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns.

d) Liquid funds and fiduciary and fixed-term deposits will be valued at their nominal value plus accrued interest.

e) For each sub-fund, the securities that are denominated in a currency other than that of the sub-fund are converted into the sub-fund currency at the relevant mean exchange rate. Futures contracts concluded for the purpose of hedging currency risks are taken into consideration in the conversion.

f) Units in UCITS or other UCIs shall be valued at their last published net asset value. If no net asset value is available, only buying and selling prices, the units of such UCITS and other UCIs may be valued at the mean value of these buying and selling prices. Should no current prices be available, the Management Company will make a valuation according to other criteria, to be determined by the Board of Directors. The Management Company will base its calculation on the probable selling price, the level of which will be estimated with due care and to the best of the Management Company's knowledge.

g) Derivatives which are traded neither on a stock exchange nor on another regulated market will be valued at a market value (fair value) which is appropriate given a careful assessment which takes into account all of the relevant circumstances.

In order to protect existing unitholders, the Board of Directors may decide to have the net asset value of the sub-fund calculated in accordance with the swinging single pricing method described below.

If, on a given bank business day, the total subscriptions or redemptions for all unit classes of a sub-fund result in a net inflow or outflow of assets, the net asset value of the sub-fund in question is increased or decreased accordingly (swinging single pricing, hereinafter “SSP”). In such cases, the same net asset value shall apply for all unitholders subscribing or redeeming units on this valuation date.

The maximum adjustment amounts to 2% of the net asset value of the sub-fund concerned. This takes account of both the estimated transaction costs and the tax charges that may be incurred by the sub-fund concerned, as well as the estimated bid-ask spread of the assets in which the sub-fund invests. Such an adjustment will lead to an increase in the net asset value if the net movements result in an increase in the number of units in the relevant sub-fund. It will lead to a reduction in the net asset value if the net movements result in a decline in the number of units. The Board of Directors has decided to use the SSP method to calculate the net asset value of all sub-funds.

The Board of Directors may decide to suspend the SSP method without prior notice for individual or all sub-funds for a day on which a contribution in kind is made.

If, as a result of exceptional circumstances, the aforementioned valuation criteria cannot be applied or appear to be unsuitable, the Management Company is entitled to temporarily use other appropriate valuation criteria.

In exceptional circumstances, additional valuations may be made throughout the day and shall apply to issues and redemptions on that day.

In the event of a large volume of redemption orders, the Management Company may value the units of the sub-fund in question on the basis of the sales prices received in the requisite securities sales transactions.

3.3 Sale of units

Payment of the issue price must be made within two bank business days after receipt of the drawing order; however, the Management Company is entitled to extend this period to a maximum of five days if the two-day period proves to be too short. Issue prices are rounded down to the nearest currency unit.

The following are charged on the issue of units:

- an agency fee which goes to the intermediary. The maximum agency fee payable for each sub-fund or unit class is set out in the table in section 1.2 “Structure of the Fund”.
- for conversions from one sub-fund to another within the same umbrella fund, the intermediary may charge a maximum of 50% of the permitted issuing agency fee, up to the countervalue of the units submitted for conversion; where unit classes of the same sub-fund are converted, no agency fee is charged.
- any taxes and duties charged in connection with the issue.

The Management Company may, at its discretion, accept contributions in kind for full or partial subscriptions. In such cases, the contribution in kind must comply with the investment policy and restrictions of the sub-fund. In addition, such investments will be audited by an auditor assigned by the Management Company; the report of the audit will be available for inspection. Costs incurred in connection with the contribution in kind will be borne by the relevant investor. To calculate the number of units to which an investor is entitled on the basis of his subscription in kind, sub-funds for which the SSP approach is used may use the valuated net asset value per unit for a valuation date instead of the modified net asset value per unit.

The corresponding number of units will be transferred to investors immediately after payment of the purchase price. The Board of Directors is authorised to accept subscriptions for specific sums of money and, on this basis, consent to the issue of fractions of units of up to four decimal places. In such cases, the Management Company has the power to authorise one of the sales or paying agents to confirm the subscription of units to the unitholders in writing.

Only registered units shall be issued. They are not issued as physical certificates and exist purely as book entries.

Subscribers should note that they must present proof of identity to the agent receiving their subscription, unless they are already known personally to the agent. This ruling is intended to help combat the laundering of money originating from criminal activities, in particular the drugs trade.

3.4 Redemption of units

In principle, the Management Company will redeem units of the Fund at any time on a bank business day at the redemption price, against surrender of the corresponding unit certificates. Since care must be taken that there are sufficient liquid assets in the Fund, payments on Fund units will usually be made within two bank business days after calculation of the redemption price, unless transfer of the redemption amount to the country in which the redemption has been applied for proves to be impossible owing to statutory provisions, such as foreign exchange and payment restrictions, or as a result of other circumstances beyond the control of the Depositary.

Repayment for the units is made in the currency of the sub-fund or currency class. No charge is made for redemption. Any taxes due on the redemption will be deducted from the redemption price. Redemption prices are rounded down to the nearest currency unit.

In the event of a large volume of redemption orders, the Depositary and the Management Company may decide to postpone the execution of redemption orders until the necessary assets of the Fund have been sold, without undue delay. Priority must subsequently be given to these deferred redemption orders.

The unit in question expires upon payment of the redemption price.

3.5 Conversion of units

Unitholders in the Sub-Fund are entitled to convert their units from one class of units to another within the same sub-fund on any day on which the net asset value of the sub-funds is calculated. The subscription requirements for a particular unit class must also be fulfilled in the case of the conversion of units from one class to another. Investors must submit a conversion application to the Management Company for at least 10 units of a unit class and surrender the unit certificates, if any were issued. Conversion is subject to the same time limits as for the issue and redemption of units in the sub-fund.

Where unit classes of the same sub-fund are converted, no agency fee is charged.

The Management Company will use the following formula to determine the number of units into which a unitholder may convert his/her existing units:

$$A = \left(\frac{BxC}{D}\right)$$

A = Number of units to be issued in the new unit class

B = Number of units in the original unit class

C = Redemption price per unit of the original unit class

D = Net asset value per unit of the new unit class

Should the calculation of the number of new units result in fractions of units, the figure is rounded down to the nearest whole number, unless the Board of Directors has approved the issue of fractions of units. The investor will receive payment for the fractions at the redemption price.

The Management Company will provide the unitholder with the details of the conversion.

3.6 Suspension of net asset value calculation and the issue, conversion and redemption of units

The Management Company is entitled to temporarily suspend the calculation of the net asset value, as well as the issue, conversion and redemption of units for one or more sub-funds in the following cases:

a) If stock exchanges or markets that serve as the basis for the valuation of a substantial proportion of a sub-fund's assets, or foreign exchange markets for the currency in which the net asset value or a significant proportion of a sub-fund's assets are denominated are closed (apart from the usual public holidays), or if business is suspended or restricted on such markets, or if they are temporarily exposed to major fluctuations;

b) If relevant disposals of a sub-fund’s assets are not possible owing to political, economic, military or other emergencies which are beyond the control of the Management Company, or if such action would be detrimental to the interests of the unitholders.

c) In the event of disruptions in the communications network, or if the net asset value of a sub-fund cannot be calculated with sufficient accuracy.

d) If restrictions on foreign exchange transactions or other asset transfers make sub-fund transactions impossible, or if the purchase and sale of Fund assets cannot be effected at normal exchange rates.

e) If special circumstances concerning the careful, proper management of the Fund or sub-fund(s) in question make such suspension necessary and it is in the interests of the unitholders.

<u>4 Appropriation of net income and capital gains</u>

4.1 Distribution units

Class A and B units are issued as distribution units.

Under Article 12 of the Management Regulations, the Management Company will decide, after closing the annual accounts, whether and to what extent distributions are to be made on distribution units. The Fund intends to make distributions large enough to ensure that the sub-funds produce a return typical for the market and that such distributions are made within four months after the close of the financial year.

The Management Company is authorised to approve the distribution of interim dividends and the suspension of distributions.

Distributions are made upon the surrender of coupons. Payment will be made according to the procedure described under “Redemption of units” (section 3.4).

Claims for distributions and allotments that are not made within five years after their due date will become statute-barred and the assets will revert to the corresponding sub-fund or unit classes.

4.2 Accumulation units

Class N and I units are issued as accumulation units. No distributions are planned for these unit classes. After the deduction of general costs, net income will be used to increase the net asset value of the units (accumulation).

5 Taxes and charges

Taxes

In the Grand Duchy of Luxembourg, the Fund's assets are subject to a "taxe d'abonnement" of 0.05% p.a. of net assets for unit classes offered to private investors and of 0.01% p.a. of net assets for unit classes offered to institutional investors, payable quarterly. The Fund's earnings are not taxed in Luxembourg.

Under current legislation, unitholders do not have to pay income tax, wealth tax or any other tax in Luxembourg, unless they are or have been resident in Luxembourg or operate a business there to which the units belong.

Depending on the person who holds the units directly or indirectly, both gains and capital gains, whether distributed or accumulated, may be subject in whole or in part to withholding tax (e.g. final withholding tax, Foreign Account Tax Compliance Act).

Potential unitholders should find out about the laws and regulations that apply to the subscription, purchase, ownership and sale of units at their place of residence and, if necessary, seek expert advice.

All-in fee

In addition to the aforementioned "taxe d'abonnement", the Management Company shall charge the Fund an all-in fee for running the Fund, asset management and the distribution of Fund units.

In return, the Management Company will bear all costs regularly incurred in connection with running the Fund, asset management as well as with distribution of the Fund, if compensation is made for such costs, such as:

- costs of managing the Fund;
- fees and costs charged by the Depositary and the paying agents;
- costs of distribution;
- printing the management regulations and sales prospectuses, as well as the annual and semi-annual reports;
- fees associated with any listing of the Fund and with its distribution both domestically and abroad;
- administrative costs, especially those for bookkeeping and calculating the net asset value;
- Costs of paying out annual income to the investors; and
- advertising costs.

The all-in fee is made up of two components: the flat management fee (to cover asset management and distribution costs) and the flat administration fee (to cover administrative costs).

The maximum all-in fee, maximum flat management fee and maximum flat administration fee for each sub-fund and unit class are set out in the table in section 1.2.

The sum of the flat management fee and the flat administration fee booked may not exceed the rate of the maximum all-in fee for the sub-fund or unit class in question. The aggregate figure for the all-in fee (or flat management fee and flat administration fee) actually paid out of the Fund to the Management Company is published in the Fund's annual and semi-annual reports.

The all-in fee (or flat management fee and flat administration fee) is charged to the Fund assets on a pro rata basis each time the net asset value is calculated, and is paid out at the end of each month.

The all-in fee does not cover taxes levied on the Fund assets, the usual transaction fees charged on purchases and sales or the costs of extraordinary action taken in the interests of the unitholders.

The all-in fee (or flat management fee and flat administration fee) to be paid to the Management Company shall first come out of investment income, then out of realised gains on securities transactions, and then out of fixed assets.

Other costs

The following costs shall be charged to the respective sub-fund assets:

- all costs imposed by law or by regulations, in particular the costs of publications of all types (such as price publications and notices to investors), as well as the fees payable to the supervisory authorities;
- auditor fees.

6 Information for unitholders

6.1 Remuneration policy

The Management Company has produced a remuneration policy in accordance with the applicable legal and regulatory requirements, particularly the UCI Act and the relevant ESMA guidelines on sound remuneration policies (ESMA/2016/411); this policy applies to all employees, in particular those identified under the UCI Act and including the salaried directors and executives of the Management Company. The remuneration policy has been prepared with the aim of protecting the interests of the investors as well as the interests of the Management Company and the Group on a long-term, sustainable basis. It is also in line with the business strategy, the goals and values of the Management Company and the funds it manages, and comprises measures aimed at avoiding conflicts of interest.

The remuneration policy is designed to promote effective, sound risk management and to prevent excessive risk-taking.

Employee remuneration consists of a fixed and a variable component; these are in due proportion to one another, such that percentage of the fixed component of total remuneration is high enough to facilitate total flexibility in relation to the variable component and also to be able to waive payment of a variable component entirely. The variable component is largely based on the consolidated net income, the performance of the Management Company and the function and performance of the employee.

The performance targets for individual employees are assessed and reviewed annually. The annual assessment provides a basis for setting the level of variable remuneration and any increase in the fixed element. Financial as well as non-financial criteria are taken into account when assessing an employee's individual performance. The variable component may be waived entirely following a failure to meet performance targets or a poor business result.

The version of the remuneration policy currently in force, which includes a precise description of this policy, details of how remuneration is calculated, other compensation and the identity of the persons responsible for awarding the remuneration, is available at http://www.swisscanto.lu/verguetungspolitik and in hard copy, free of charge, at the registered office of the Management Company.

6.2 Accounting reports

The annual audited accounting reports will be made available to unitholders at no charge no later than four months after the end of the financial year (31 January) at the registered office of the Management Company and the offices of the selling and paying agents. Unaudited semi-annual reports will be made available in the same way within two months of the end of the reporting period (31 July). Separate accounts will be drawn up for the individual sub-funds. The total of the sub-funds – after conversion into the currency of the Fund (EUR) – constitutes the Fund assets.

In the event that liabilities from transactions involving derivative financial instruments and/or loans exist at the end of the financial year, they are to be explicitly stated in the accounting report, i.e. the strike price of current options and any liabilities associated with financial forwards and futures. Total liabilities from currency forwards, excluding options, must be stated for each type of transaction.

6.3 Data protection

Investors are advised that for organisational reasons and due to the outsourcing of various tasks, it is possible that personal data and information on the unitholders may be processed in countries which may not be subject to the same data protection standards as in the Grand Duchy of Luxembourg.

In particular, the Central Administration Agent ensures that this data and information are only disclosed or transferred to service providers that are either legally bound to professional secrecy, or contractually bound to treat the data and information as extremely confidential and only make it accessible to a limited number of people.

Additional information regarding data protection can be found in the privacy statement at https://www.swisscanto.com/lu/de/gs/rechtliche-hinweise/datenschutz/datenschutzerklaerung.html or is available on request from the Management Company.

6.4 Other Information

Other information on the Fund or the Management Company, as well as on the net asset value and the issue and redemption prices of the units is available at the registered office of the Management Company on all bank business days.

The issue and redemption prices i.e. the net asset value of all unit classes, together with the note "excluding commission", as well as any notifications relating to a suspension of net asset value calculations will be published on every bank business day on the Swiss Fund Data AG website: www.swissfunddata.ch as well as on www.fundinfo.com.

The Management Company may amend these provisions in whole or in part at any time in the interests of the unitholders and with the consent of the Depositary.

Unless otherwise specified, amendments to the Management Regulations shall enter into force upon signature by the Board of Directors of the Fund.

Unitholders listed in the register of unitholders will be promptly informed of changes to this Sales Prospectus and the Management Regulations by written notice.

In addition, the following documents are available for inspection at the registered office of the Management

Company during normal business hours and copies are available free of charge from this office:

- Management Regulations;
- Articles of Association of the Management Company, and
- Depositary Agreement between the Management Company and the Depositary.

The latest versions of the Sales Prospectus, Key Investor Information Document and the annual and semi-annual reports can also be downloaded free of charge from the Internet at www.gkb.ch.

Management Company:

Swisscanto Asset Management International S.A.

Depositary:

CACEIS Investor Services Bank S.A.

ANNEX

SUSTAINABILITY-RELATED DISCLOSURES SPECIFIC TO THE SUB-FUND IN ACCORDANCE WITH REGULATION (EU) 2019/2088

Pre-contractual disclosure

for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Product name:
GKB (LU) Obligationen EUR ESG

Legal Entity Identifier (LEI): 2221006RRHWM8AGM7O72

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

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%	☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ____%	☒ It promotes E/S characteristics but **will not make any sustainable investments.**

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

The sub-fund pursues an investment strategy that considers environmental and social characteristics. These characteristics include exclusion criteria, the integration of ESG considerations with the investment process, and a regular assessment and verification of ESG scores and CO_2 intensity.

Furthermore investee companies' compliance with the ten principles of the UN Global Compact is considered. These voluntary principles include non-financial risks such as human rights, labour, the environment and anti-corruption measures

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

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

The Asset Management uses a range of ESG data points to measure the attainment of the environmental and social characteristics promoted. It relies on data provided by the independent third-party provider, MSCI ESG. The key fundamental aspects are checked and included in the decision-making process.

Sustainability indicators integrated with the investment process are then used to assess the attainment of the characteristics promoted:

1. Exclusion criteria

The Asset Management uses exclusion criteria to identify an increased risk of harm to environmental and social characteristics. These exclusion criteria are also used to establish an investment universe focused more specifically on investments that are aligned with these values.

The following businesses/criteria result in the exclusion of companies:

- The production and trading of controversial weapons, including the following banned weapons:
  - Cluster munitions, components and delivery systems
  - Anti-personnel mines (APMs), components and anti-tank mines
  - Biological and chemical weapons
  - Nuclear weapons systems
  - Key systems for nuclear weapons
  - Enriched uranium weapons
  - Blinding laser weapons
  - Incendiary weapons
- Production of military weapon systems and components as well as support systems and services (≥ 5% turnover)
- Behaviour-based exclusions including those included in the list of the SVVK-ASIR (Swiss association for the promotion of responsible capital investment)
- Breaches of the UN Global Compact.
- Significant controversies in the areas of the environment, client relations, human rights, labour law, supply chains and corporate governance
- Pornography (≥ 5% of turnover), including the
  - Production and publication of adult entertainment (e.g. x-rated films)
  - Distribution of adult entertainment (e.g. pay-per-view programmes and channels)
- Gambling (≥ 5% of turnover), including the
  - Owning or operating gambling establishments (e.g. casinos, online gambling sites)
  - Manufacturing specialised equipment (e.g. slot machines, roulette wheels)
  - Support products and services for gambling operations
  - Games licensors
- Tobacco producers (> 0% of turnover)
  - Companies that manufacture tobacco products such as cigars, cigarettes, e-cigarettes, inhalators, etc.

- Tobacco (≥ 5% of turnover), including
  - Companies with a connection to tobacco products via their operations as distributors, licensors, retailers, suppliers or owners.
- Unconventional gas & oil production (≥ 5% of turnover)[1], including
  - Companies generating income from oil sands, oil shales, shale gas, shale oil and/or Arctic oil and gas, etc.
- Thermal coal extraction (≥ 5% of turnover)[1], including
  - Companies generating income from thermal coal (including lignite, coal, anthracite and coking coal).
- Thermal coal reserves (>1 billion tonnes)[1]
- Power generation from thermal coal (≥ 5% of turnover)[1], including
  - Companies generating income from coal-fired power generation

2. ESG integration

The Asset Management integrates environmental (E), social (S) and governance (G) factors for companies and governments into the investment process (ESG integration) in order to identify opportunities and risks prior to any investment decision. The risk management of a company or government regarding ESG criteria is carried out by the Asset Management using ESG scores. The Asset Management uses data from the independent data provider MSCI ESG. No investments are made in companies with an overall MSCI ESG Rating in the "laggard" category. A laggard is a company awarded a rating of B or CCC by MSCI ESG Research, which is lagging its industry based on its high exposure and failure to manage significant ESG risks

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.

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?

This financial product does not make sustainable investments.

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

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

--

[1] Green bonds and sustainable bonds do not require exclusion. For green and sustainable bonds, issuers must use the proceeds raised through the issue of the green or sustainable bond for specific purposes. If this is the case, green bonds are used to raise capital for specific activities to mitigate or prevent adverse impacts on the environment. Sustainable bonds are also used to raise capital for specific activities to mitigate or prevent adverse impacts on the environment and on society. Investments in green bonds or sustainable bonds thus make a contribution to a positive impact in relation to the relevant exclusion criteria.

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

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The EU Taxonomy sets out a "do no 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,

the sub-funds consider principal adverse impacts (PAIs) on sustainability factors. The mandatory indicators from Annex 1 of Regulation (EU) 2019/2088 are used for this purpose. The PAIs are taken into account in the investment process via the use of exclusion criteria and ESG integration, and directly in the calculation of PAI scores.

The Asset Management uses data from the independent data provider MSCI ESG.

The information regarding PAIs required under Article 11(2) of Regulation (EU) 2019/2088 is published in the Annual Report.

☐ No

What investment strategy does this financial product follow?

The investment strategy serves as the guideline for investment decisions, taking certain criteria such as investment objectives and risk tolerance into consideration.

This Sub-Fund's primary investment objective is to achieve appropriate investment returns while observing the investment principles of capital preservation and liquidity. In order to achieve this objective, it is intended to invest the total assets of the sub-fund in fixed or floating rate securities (notes and similar, as well as securities issued on a discount basis) on a risk diversification basis. The Fund invests primarily in fixed-income and floating-rate bonds denominated in euro. The focus is on investments with an investment grade rating. Debtor-specific risk is held at a low level thanks to broad diversification across at least 100 issuers.

The securities are selected on a discretionary basis using a consistent investment process ("active management"). Selection is made on a bottom-up basis taking into consideration quantitative and qualitative aspects, both for the selection of individual bonds and in portfolio construction. In terms of the composition of the portfolio, the selection and weighting of securities is focused on companies included in the Bloomberg Euro-Aggregate TR Index. Based on the market situation and risk assessments, the Asset Management may at any time actively over- or underweight individual securities or sectors to a greater or lesser extent, deviating in both directions from the benchmark index. Implementation of the strategy is continuously checked and regularly adjusted.

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

1. Exclusion criteria

The consideration of sustainability aspects includes the definition of exclusion criteria for business activities that the Asset Management considers to be high-risk, including, for example, the securities of companies manufacturing weapons or with coal reserves, etc. The exclusion criteria are verified at least once a year for any changes or new information and adjusted accordingly.

2. ESG integration

As part of the investment process, the Asset Management follows an approach which integrates environmental, social and governance (ESG) aspects. This means that environmental and/or social characteristics are automatically considered in addition to traditional financial analysis when selecting investments, in order to guarantee a positive contribution (opportunities) to ESG criteria and where applicable investment returns. Investments in ESG laggards are therefore excluded. ESG laggards are companies within a specific sector or industry branch with particularly poor ESG scores versus their peers on the basis of proprietary ESG scores.

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

The Fund follows an active investment strategy and does not use a reference universe. It is not possible to quantify the minimum rate to reduce the scope of eligible investments.

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

Good governance is considered when analysing investments by verifying compliance with the

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

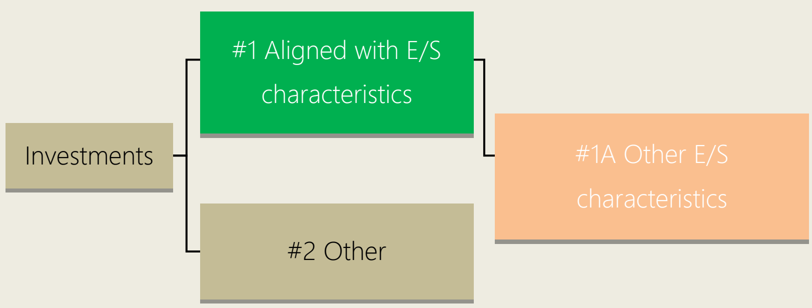
following global standards: the UN Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP), and the International Labour Organization (ILO) Conventions. Furthermore, we assume that companies with an MSCI ESG Rating of BB or higher have the ability to allocate resources to mitigate the most important ESG risks and therefore comply with basic expectations for good governance practices.

Any breach of the aforementioned standards and an MSCI ESG Rating of below BB results in exclusion from the financial product's universe of investee companies.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Asset Management stipulates in its internal guidelines that at least 67% of the net assets of the sub-fund must pursue the promoted environmental and social characteristics in accordance with the table below (#1 Aligned with E/S characteristics). However, the Asset Management restricts investments in other assets (#2 Other) that do not pursue environmental and/or social characteristics to 33% of the sub-fund's net assets



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.
The category **#1 Aligned with E/S characteristics** includes the following sub-category:
- The sub-category **#1A Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

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

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

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

Derivatives are only used for hedging purposes and do not pursue environmental and/or social characteristics.

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

0% of the portfolio. The Fund does not pursue sustainable investments aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

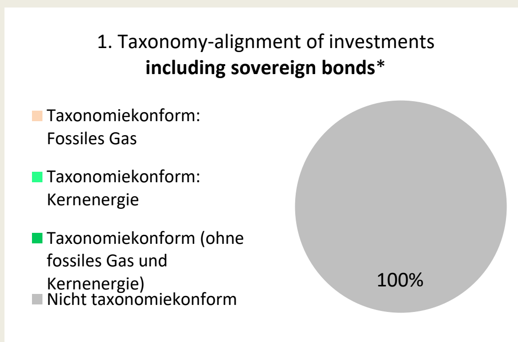
.

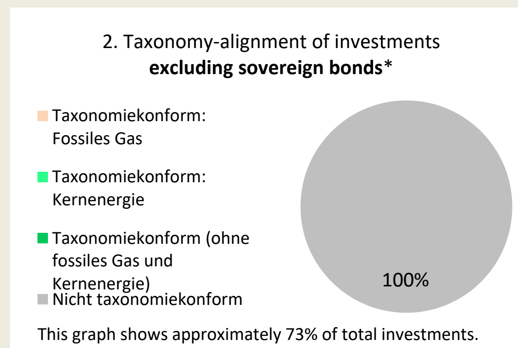
☐ Yes:

☐ in fossil gas ☐ in nuclear energy

☒ No:

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





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

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

0% of the portfolio.

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?

0% of the portfolio.

What is the minimum share of socially sustainable investments?

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

0% of the portfolio.

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

This sub-fund may invest up to 33% of net sub-fund assets in assets that do not align with the characteristics promoted (*#2 Other*). These assets may include any investments covered by the specific investment policy, including derivatives and cash, and are used to pursue the investment strategy of the sub-fund. For these investments, minimum environmental and social safeguards are not generally applied.

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?

A specific index is not designated as a reference benchmark to determine whether the financial product is aligned with the environmental and/or social characteristics it promotes.

Where can I find more product-specific information online?

Further product-specific information is available at:

Further information on the product-related sustainability policy of the sub-fund can be found on the following website:
https://www.gkb.ch/de/private/anlegen-boerse/produkte/anlagefonds-vorsorgefonds/obligationen-eur-esg

Pre-contractual disclosure

for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Product name:
GKB (LU) Wandelanleihen Global ESG

Legal Entity Identifier (LEI): 549300H11BJOWS5ZMH69

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

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%	☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ____%	☒ It promotes E/S characteristics but **will not make any sustainable investments.**

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

The sub-fund pursues an investment strategy that considers environmental and social characteristics. These characteristics include exclusion criteria, the integration of ESG considerations with the investment process, and a regular assessment and verification of ESG scores and CO_2 intensity.

Furthermore investee companies' compliance with the ten principles of the UN Global Compact is considered. These voluntary principles include non-financial risks such as human rights, labour, the environment and anti-corruption measures

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

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

The Asset Management uses a range of ESG data points to measure the attainment of the environmental and social characteristics promoted. It relies on data provided by the independent third-party provider, MSCI ESG. The key fundamental aspects are checked and included in the decision-making process.

Sustainability indicators integrated with the investment process are then used to assess the attainment of the characteristics promoted:

3. Exclusion criteria

The Asset Management uses exclusion criteria to identify an increased risk of harm to environmental and social characteristics. These exclusion criteria are also used to establish an investment universe focused more specifically on investments that are aligned with these values.

The following businesses/criteria result in the exclusion of companies:

- The production and trading of controversial weapons, including the following banned weapons:
  - Cluster munitions, components and delivery systems
  - Anti-personnel mines (APMs), components and anti-tank mines
  - Biological and chemical weapons
  - Nuclear weapons systems
  - Key systems for nuclear weapons
  - Enriched uranium weapons
  - Blinding laser weapons
  - Incendiary weapons
- Production of military weapon systems and components as well as support systems and services (≥ 5% turnover)
- Behaviour-based exclusions including those included in the list of the SVVK-ASIR (Swiss association for the promotion of responsible capital investment)
- Breaches of the UN Global Compact.
- Significant controversies in the areas of the environment, client relations, human rights, labour law, supply chains and corporate governance
- Pornography (≥ 5% of turnover), including the
  - Production and publication of adult entertainment (e.g. x-rated films)
  - Distribution of adult entertainment (e.g. pay-per-view programmes and channels)
- Gambling (≥ 5% of turnover), including the
  - Owning or operating gambling establishments (e.g. casinos, online gambling sites)
  - Manufacturing specialised equipment (e.g. slot machines, roulette wheels)
  - Support products and services for gambling operations
  - Games licensors
- Tobacco producers (> 0% of turnover)
  - Companies that manufacture tobacco products such as cigars, cigarettes, e-cigarettes, inhalators, etc.

- Tobacco (≥ 5% of turnover), including
  - Companies with a connection to tobacco products via their operations as distributors, licensors, retailers, suppliers or owners.
- Unconventional gas & oil production (≥ 5% of turnover)[1], including
  - Companies generating income from oil sands, oil shales, shale gas, shale oil and/or Arctic oil and gas, etc.
- Thermal coal extraction (≥ 5% of turnover)[1], including
  - Companies generating income from thermal coal (including lignite, coal, anthracite and coking coal).
- Thermal coal reserves (>1 billion tonnes)[1]
- Power generation from thermal coal (≥ 5% of turnover)[1], including
  - Companies generating income from coal-fired power generation

4. ESG integration

The Asset Management integrates environmental (E), social (S) and governance (G) factors for companies and governments into the investment process (ESG integration) in order to identify opportunities and risks prior to any investment decision. The risk management of a company or government regarding ESG criteria is carried out by the Asset Management using ESG scores. The Asset Management uses data from the independent data provider MSCI ESG. No investments are made in companies with an overall MSCI ESG Rating in the "laggard" category. A laggard is a company awarded a rating of B or CCC by MSCI ESG Research, which is lagging its industry based on its high exposure and failure to manage significant ESG risks

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.

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?

This financial product does not make sustainable investments.

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

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

--

[1] Green bonds and sustainable bonds do not require exclusion. For green and sustainable bonds, issuers must use the proceeds raised through the issue of the green or sustainable bond for specific purposes. If this is the case, green bonds are used to raise capital for specific activities to mitigate or prevent adverse impacts on the environment. Sustainable bonds are also used to raise capital for specific activities to mitigate or prevent adverse impacts on the environment and on society. Investments in green bonds or sustainable bonds thus make a contribution to a positive impact in relation to the relevant exclusion criteria.

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

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The EU Taxonomy sets out a "do no 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,
the sub-funds consider principal adverse impacts (PAIs) on sustainability factors. The mandatory indicators from Annex 1 of Regulation (EU) 2019/2088 are used for this purpose. The PAIs are taken into account in the investment process via the use of exclusion criteria and ESG integration, and directly in the calculation of PAI scores.

The Asset Management uses data from the independent data provider MSCI ESG.

The information regarding PAIs required under Article 11(2) of Regulation (EU) 2019/2088 is published in the Annual Report.

☐ No

What investment strategy does this financial product follow?

The investment strategy serves as the guideline for investment decisions, taking certain criteria such as investment objectives and risk tolerance into consideration.

The investment objective of this sub-fund is primarily to achieve high and steady returns, while observing the principles of risk diversification and capital preservation. In order to achieve this objective, the aim is to invest the total assets of the sub-fund in convertible bonds, convertible notes, bonds with warrants and similar convertible and option rights on equities, on a risk diversification basis. Debtor-specific risk is held at a low level thanks to broad diversification across around 100 issuers.

The securities are selected on a discretionary basis using a consistent investment process ("active management"). Selection is made on a bottom-up basis taking into consideration quantitative and qualitative aspects, both for the selection of individual convertible bonds and in portfolio construction. The Fund's investment objective is to generate a risk-adjusted excess return versus its benchmark index (the Refinitiv Global Focus Convertible Bond Index). Based on the market situation and risk assessments, the Asset Management may at any time actively over- or underweight individual securities or sectors to a greater or lesser extent, deviating in both directions from the benchmark index. Implementation of the strategy is continuously checked and regularly adjusted.

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

5. Exclusion criteria

The consideration of sustainability aspects includes the definition of exclusion criteria for business activities that the Asset Management considers to be high-risk, including, for example, the securities of companies manufacturing weapons or with coal reserves, etc. The exclusion criteria are verified at least once a year for any changes or new information and adjusted accordingly.

6. ESG integration

As part of the investment process, the Asset Management follows an approach which integrates environmental, social and governance (ESG) aspects. This means that environmental and/or social characteristics are automatically considered in addition to traditional financial analysis when selecting investments, in order to guarantee a positive contribution (opportunities) to ESG criteria and where applicable investment returns. Investments in ESG laggards are therefore excluded. ESG laggards are companies within a specific sector or industry branch with particularly poor ESG scores versus their peers on the basis of proprietary ESG scores.

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

The Fund follows an active investment strategy and does not use a reference universe. It is not possible to quantify the minimum rate to reduce the scope of eligible investments.

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

Good governance is considered when analysing investments by verifying compliance with the following global standards: the UN Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP), and the International Labour Organization (ILO) Conventions. Furthermore, we assume that companies with an MSCI ESG Rating of BB or higher have the ability to allocate resources to mitigate the most important ESG risks and therefore comply with basic expectations for good governance practices.

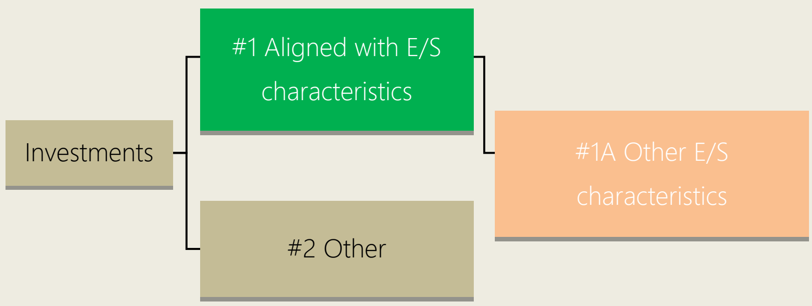
Any breach of the aforementioned standards and an MSCI ESG Rating of below BB results in exclusion from the financial product's universe of investee companies.

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 Asset Management stipulates in its internal guidelines that at least 67% of the net assets of the sub-fund must pursue the promoted environmental and social characteristics in accordance with the table below (#1 Aligned with E/S characteristics). However, the Asset Management restricts investments in other assets (#2 Other) that do not pursue environmental and/or social characteristics to 33% of the sub-fund's net assets

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.
The category **#1 Aligned with E/S characteristics** includes the following sub-category:

- The sub-category **#1A Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

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

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

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

Derivatives are only used for hedging purposes and do not pursue environmental and/or social characteristics.

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

0% of the portfolio. The Fund does not pursue sustainable investments aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

.

☐ Yes:

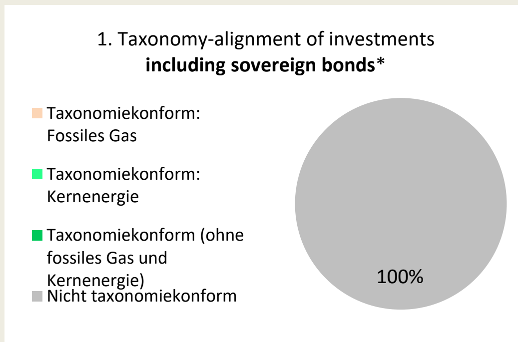
☐ in fossil gas ☐ in nuclear energy

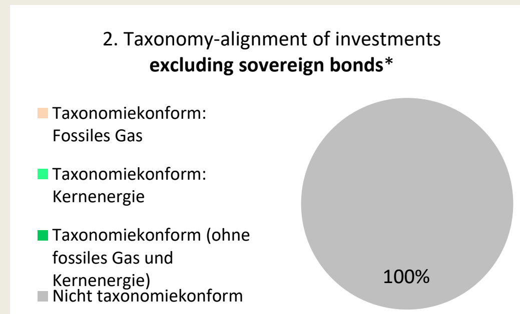
[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas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

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

☒ No:

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





This graph represents 100% of the total investments.

** 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?

0% of the portfolio.

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

0% of the portfolio.

What is the minimum share of socially sustainable investments?

0% of the portfolio.

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

This sub-fund may invest up to 33% of net sub-fund assets in assets that do not align with the characteristics promoted (*#2 Other*). These assets may include any investments covered by the specific investment policy, including derivatives and cash, and are used to pursue the investment strategy of the sub-fund. For these investments, minimum environmental and social safeguards are not generally applied.

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?

A specific index is not designated as a reference benchmark to determine whether the financial product is aligned with the environmental and/or social characteristics it promotes.

Where can I find more product-specific information online?

Further product-specific information is available at:

Further information on the product-related sustainability policy of the sub-fund can be found on the following website:
https://www.gkb.ch/de/private/anlegen-boerse/produkte/anlagefonds-vorsorgefonds/wandelanleihen-global-esg

Pre-contractual disclosure

for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Product name:
GKB (LU) Aktien Europa ESG

Legal Entity Identifier (LEI): 549300UPDH2EAGIW5192

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

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%	☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ____%	☒ It promotes E/S characteristics but **will not make any sustainable investments.**

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

The sub-fund pursues an investment strategy that considers environmental and social characteristics. These characteristics include exclusion criteria, the integration of ESG considerations with the investment process, and a regular assessment and verification of ESG scores and CO_2 intensity.

Furthermore investee companies' compliance with the ten principles of the UN Global Compact is considered. These voluntary principles include non-financial risks such as human rights, labour, the environment and anti-corruption measures

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

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

The Asset Management uses a range of ESG data points to measure the attainment of the environmental and social characteristics promoted. It relies on data provided by the independent third-party provider, MSCI ESG. The key fundamental aspects are checked and included in the decision-making process.

Sustainability indicators integrated with the investment process are then used to assess the attainment of the characteristics promoted:

7. Exclusion criteria

The Asset Management uses exclusion criteria to identify an increased risk of harm to environmental and social characteristics. These exclusion criteria are also used to establish an investment universe focused more specifically on investments that are aligned with these values.

The following businesses/criteria result in the exclusion of companies:

- The production and trading of controversial weapons, including the following banned weapons:
  - Cluster munitions, components and delivery systems
  - Anti-personnel mines (APMs), components and anti-tank mines
  - Biological and chemical weapons
  - Nuclear weapons systems
  - Key systems for nuclear weapons
  - Enriched uranium weapons
  - Blinding laser weapons
  - Incendiary weapons
- Production of military weapon systems and components as well as support systems and services (≥ 5% turnover)
- Behaviour-based exclusions including those included in the list of the SVVK-ASIR (Swiss association for the promotion of responsible capital investment)
- Breaches of the UN Global Compact.
- Significant controversies in the areas of the environment, client relations, human rights, labour law, supply chains and corporate governance
- Pornography (≥ 5% of turnover), including the
  - Production and publication of adult entertainment (e.g. x-rated films)
  - Distribution of adult entertainment (e.g. pay-per-view programmes and channels)
- Gambling (≥ 5% of turnover), including the
  - Owning or operating gambling establishments (e.g. casinos, online gambling sites)
  - Manufacturing specialised equipment (e.g. slot machines, roulette wheels)
  - Support products and services for gambling operations
  - Games licensors
- Tobacco producers (> 0% of turnover)
  - Companies that manufacture tobacco products such as cigars, cigarettes, e-cigarettes, inhalators, etc.

- Tobacco (≥ 5% of turnover), including
  - Companies with a connection to tobacco products via their operations as distributors, licensors, retailers, suppliers or owners.
- Unconventional gas & oil production (≥ 5% of turnover)[1], including
  - Companies generating income from oil sands, oil shales, shale gas, shale oil and/or Arctic oil and gas, etc.
- Thermal coal extraction (≥ 5% of turnover)[1], including
  - Companies generating income from thermal coal (including lignite, coal, anthracite and coking coal).
- Thermal coal reserves (>1 billion tonnes)[1]
- Power generation from thermal coal (≥ 5% of turnover)[1], including
  - Companies generating income from coal-fired power generation

8. ESG integration

The Asset Management integrates environmental (E), social (S) and governance (G) factors for companies and governments into the investment process (ESG integration) in order to identify opportunities and risks prior to any investment decision. The risk management of a company or government regarding ESG criteria is carried out by the Asset Management using ESG scores. The Asset Management uses data from the independent data provider MSCI ESG. No investments are made in companies with an overall MSCI ESG Rating in the "laggard" category. A laggard is a company awarded a rating of B or CCC by MSCI ESG Research, which is lagging its industry based on its high exposure and failure to manage significant ESG risks

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.

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?

This financial product does not make sustainable investments.

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

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

--

[1] Green bonds and sustainable bonds do not require exclusion. For green and sustainable bonds, issuers must use the proceeds raised through the issue of the green or sustainable bond for specific purposes. If this is the case, green bonds are used to raise capital for specific activities to mitigate or prevent adverse impacts on the environment. Sustainable bonds are also used to raise capital for specific activities to mitigate or prevent adverse impacts on the environment and on society. Investments in green bonds or sustainable bonds thus make a contribution to a positive impact in relation to the relevant exclusion criteria.

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

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The EU Taxonomy sets out a "do no 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,
the sub-funds consider principal adverse impacts (PAIs) on sustainability factors. The mandatory indicators from Annex 1 of Regulation (EU) 2019/2088 are used for this purpose. The PAIs are taken into account in the investment process via the use of exclusion criteria and ESG integration, and directly in the calculation of PAI scores.

The Asset Management uses data from the independent data provider MSCI ESG.

The information regarding PAIs required under Article 11(2) of Regulation (EU) 2019/2088 is published in the Annual Report.

☐ No

What investment strategy does this financial product follow?

The investment strategy serves as the guideline for investment decisions, taking certain criteria such as investment objectives and risk tolerance into consideration.

The investment objective of this sub-fund is primarily to achieve high and steady returns, while observing the principles of risk diversification and capital preservation. In order to achieve this objective, the aim is to invest the total assets of the sub-fund in European equity securities and participation rights, on a risk diversification basis. The Fund invests in the shares of 25 to 45 European companies.

The securities are selected on a discretionary basis using a systematic investment process (active management). In terms of the composition of the portfolio, the Asset Management focuses on selecting securites from a European equity universe. Deviation from the benchmark index (MSCI Europe ex Switzerland Index) may be significant. Selection is made on a bottom-up basis, and uses a multi-factor asset management model. Key parameters influencing the model are a company's quality, momentum, valuation and ESG rating. Implementation of the strategy is continuously checked and regularly adjusted.

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

9. Exclusion criteria

The consideration of sustainability aspects includes the definition of exclusion criteria for business activities that the Asset Management considers to be high-risk, including, for example, the securities of companies manufacturing weapons or with coal reserves, etc. The exclusion criteria are verified at least once a year for any changes or new information and adjusted accordingly.

10. ESG integration

As part of the investment process, the Asset Management follows an approach which integrates environmental, social and governance (ESG) aspects. This means that environmental and/or social characteristics are automatically considered in addition to traditional financial analysis when selecting investments, in order to guarantee a positive contribution (opportunities) to ESG criteria and where applicable investment returns. Investments in ESG laggards are therefore excluded. ESG laggards are companies within a specific sector or industry branch with particularly poor ESG scores versus their peers on the basis of proprietary ESG scores.

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

The Fund follows an active investment strategy and does not use a reference universe. It is not possible to quantify the minimum rate to reduce the scope of eligible investments.

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

Good governance is considered when analysing investments by verifying compliance with the following global standards: the UN Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP), and the International Labour Organization (ILO) Conventions. Furthermore, we assume that companies with an MSCI ESG Rating of BB or higher have the ability to allocate resources to mitigate the most important ESG risks and therefore comply with basic expectations for good governance practices.

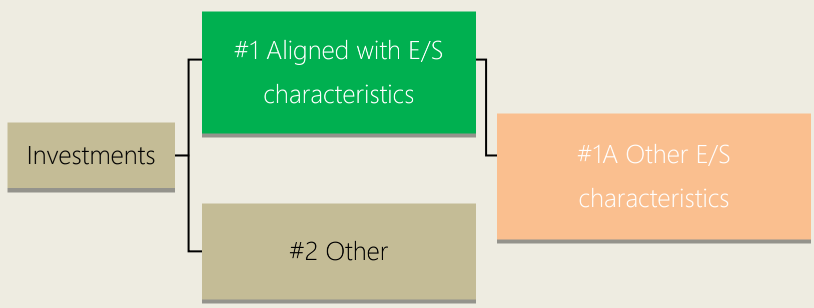
Any breach of the aforementioned standards and an MSCI ESG Rating of below BB results in exclusion from the financial product's universe of investee companies.

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 Asset Management ensures that at least 67% of the net assets of the sub-fund pursue the promoted environmental and social characteristics in accordance with the table below (#1 Aligned with E/S characteristics). However, the Asset Management restricts investments in other assets (#2 Other) that do not pursue environmental and/or social characteristics to 33% of the sub-fund's net assets

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** includes the following sub-category:

- The sub-category **#1A Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

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

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

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

Derivatives are only used for hedging purposes and do not pursue environmental and/or social characteristics.

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

0% of the portfolio. The Fund does not pursue sustainable investments aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

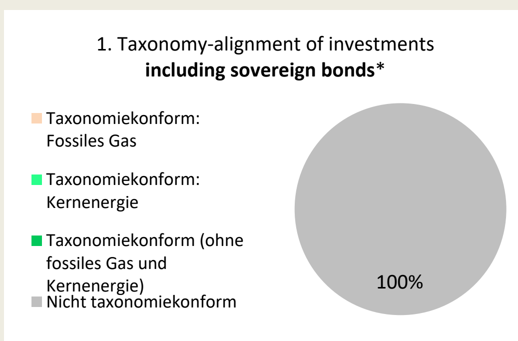
.

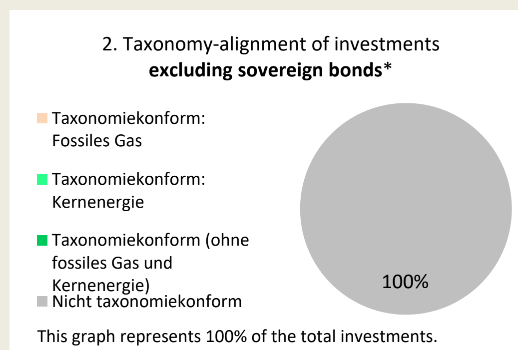
☐ Yes:

☐ in fossil gas ☐ in nuclear energy

☒ No:

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





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

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

0% of the portfolio.

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?

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

0% of the portfolio.

What is the minimum share of socially sustainable investments?

0% of the portfolio.

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

This sub-fund may invest up to 33% of net sub-fund assets in assets that do not align with the characteristics promoted (*#2 Other*). These assets may include any investments covered by the specific investment policy, including derivatives and cash, and are used to pursue the investment strategy of the sub-fund. For these investments, minimum environmental and social safeguards are not generally applied.

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?

A specific index is not designated as a reference benchmark to determine whether the financial product is aligned with the environmental and/or social characteristics it promotes.

Where can I find more product-specific information online?

Further product-specific information is available at:

Further information on the product-related sustainability policy of the sub-fund can be found on the following website:
https://www.gkb.ch/de/private/anlegen-boerse/produkte/anlagefonds-vorsorgefonds/aktien-europa-esg

Pre-contractual disclosure

for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Product name:
GKB (LU) Aktien Welt ESG

Legal Entity Identifier (LEI): 391200G5HSXKXHFYKU33

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

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: _____%	☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _____% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: _____%	☒ It promotes E/S characteristics but **will not make any sustainable investments.**

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

The sub-fund pursues an investment strategy that considers environmental and social characteristics. These characteristics include exclusion criteria, the integration of ESG considerations with the investment process, and a regular assessment and verification of ESG scores and CO_2 intensity.

Furthermore investee companies' compliance with the ten principles of the UN Global Compact is considered. These voluntary principles include non-financial risks such as human rights, labour, the environment and anti-corruption measures

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

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

The Asset Management uses a range of ESG data points to measure the attainment of the environmental and social characteristics promoted. It relies on data provided by the independent third-party provider, MSCI ESG. The key fundamental aspects are checked and included in the decision-making process.

Sustainability indicators integrated with the investment process are then used to assess the attainment of the characteristics promoted:

11. Exclusion criteria

The Asset Management uses exclusion criteria to identify an increased risk of harm to environmental and social characteristics. These exclusion criteria are also used to establish an investment universe focused more specifically on investments that are aligned with these values.

The following businesses/criteria result in the exclusion of companies:

- The production and trading of controversial weapons, including the following banned weapons:
  - Cluster munitions, components and delivery systems
  - Anti-personnel mines (APMs), components and anti-tank mines
  - Biological and chemical weapons
  - Nuclear weapons systems
  - Key systems for nuclear weapons
  - Enriched uranium weapons
  - Blinding laser weapons
  - Incendiary weapons
- Manufacture of military weapons systems and components, and support systems and services (>5% of turnover)
- Behaviour-based exclusions including those included in the list of the SVVK-ASIR (Swiss association for the promotion of responsible capital investment)
- Breaches of the UN Global Compact.
- Significant controversies in the areas of the environment, client relations, human rights, labour law, supply chains and corporate governance
- Pornography (≥ 5% of turnover), including the
  - Production and publication of adult entertainment (e.g. x-rated films)
  - Distribution of adult entertainment (e.g. pay-per-view programmes and channels)
- Gambling (≥ 5% of turnover), including the
  - Owning or operating gambling establishments (e.g. casinos, online gambling sites)
  - Manufacturing specialised equipment (e.g. slot machines, roulette wheels)
  - Support products and services for gambling operations
  - Games licensors
- Tobacco producers (> 0% of turnover)
  - Companies that manufacture tobacco products such as cigars, cigarettes, e-cigarettes, inhalators, etc.

- Tobacco (≥ 5% of turnover), including
  - Companies with a connection to tobacco products via their operations as distributors, licensors, retailers, suppliers or owners.
- Unconventional gas & oil production (≥ 5% of turnover)[1], including
  - Companies generating income from oil sands, oil shales, shale gas, shale oil and/or Arctic oil and gas, etc.
- Thermal coal extraction (≥ 5% of turnover)[1], including
  - Companies generating income from thermal coal (including lignite, coal, anthracite and coking coal).
- Thermal coal reserves (>1 billion tonnes)[1]
- Power generation from thermal coal (≥ 5% of turnover)[1], including
  - Companies generating income from coal-fired power generation

12. ESG integration

The Asset Management integrates environmental (E), social (S) and governance (G) factors for companies and governments into the investment process (ESG integration) in order to identify opportunities and risks prior to any investment decision. The risk management of a company or government regarding ESG criteria is carried out by the Asset Management using ESG scores. The Asset Management uses data from the independent data provider MSCI ESG. No investments are made in companies with an overall MSCI ESG Rating in the "laggard" category. A laggard is a company awarded a rating of B or CCC by MSCI ESG Research, which is lagging its industry based on its high exposure and failure to manage significant ESG risks

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.

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?

This financial product does not make sustainable investments.

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

How were the indicators for adverse impacts on sustainability factors taken into account?

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How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises

[1] Green bonds and sustainable bonds do not require exclusion. For green and sustainable bonds, issuers must use the proceeds raised through the issue of the green or sustainable bond for specific purposes. If this is the case, green bonds are used to raise capital for specific activities to mitigate or prevent adverse impacts on the environment. Sustainable bonds are also used to raise capital for specific activities to mitigate or prevent adverse impacts on the environment and on society. Investments in green bonds or sustainable bonds thus make a contribution to a positive impact in relation to the relevant exclusion criteria.

and the UN Guiding Principles on Business and Human Rights? Details:

--

The EU Taxonomy sets out a "do no 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,

the sub-funds consider principal adverse impacts (PAIs) on sustainability factors. The mandatory indicators from Annex 1 of Regulation (EU) 2019/2088 are used for this purpose. The PAIs are taken into account in the investment process via the use of exclusion criteria and ESG integration, and directly in the calculation of PAI scores.

The Asset Management uses data from the independent data provider MSCI ESG.

The information regarding PAIs required under Article 11(2) of Regulation (EU) 2019/2088 is published in the Annual Report.

☐ No

What investment strategy does this financial product follow?

The investment strategy serves as the guideline for investment decisions, taking certain criteria such as investment objectives and risk tolerance into consideration.

The investment objective of this sub-fund is primarily to achieve high and steady returns, while observing the principles of risk diversification and capital preservation. In order to achieve this objective, the aim is to invest the total assets of the sub-fund in global equity securities and participation rights, on a risk diversification basis. The Fund invests in the shares of 40 to 60 companies in industrialised countries.

The securities are selected on a discretionary basis using a systematic investment process (active management). In terms of the composition of the portfolio, the Asset Management focuses on selecting securites from a global equity universe. Deviation from the benchmark index (MSCI World TR Net USD) may be significant. Selection is made on a bottom-up basis, and uses a multi-factor asset management model. Key parameters influencing the model are a company's quality, momentum, valuation and ESG rating. Implementation of the strategy is continuously checked and regularly adjusted.

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

13. Exclusion criteria

The consideration of sustainability aspects includes the definition of exclusion criteria for business activities that the Asset Management considers to be high-risk, including, for example, the securities of companies manufacturing weapons or with coal reserves, etc. The exclusion criteria are verified at least once a year for any changes or new information and adjusted accordingly.

14. ESG integration

As part of the investment process, the Asset Management follows an approach which integrates environmental, social and governance (ESG) aspects. This means that environmental and/or social characteristics are automatically considered in addition to traditional financial analysis when selecting investments, in order to guarantee a positive contribution (opportunities) to ESG criteria and where applicable investment returns. Investments in ESG laggards are therefore excluded. ESG laggards are companies within a specific sector or industry branch with particularly poor ESG scores versus their peers on the basis of proprietary ESG scores.

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

The Fund follows an active investment strategy and does not use a reference universe. It is not possible to quantify the minimum rate to reduce the scope of eligible investments.

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

Good governance is considered when analysing investments by verifying compliance with the following global standards: the UN Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP), and the International Labour Organization (ILO) Conventions. Furthermore, we assume that companies with an MSCI ESG Rating of BB or higher have the ability to allocate resources to mitigate the most important ESG risks and therefore comply with basic expectations for good governance practices.

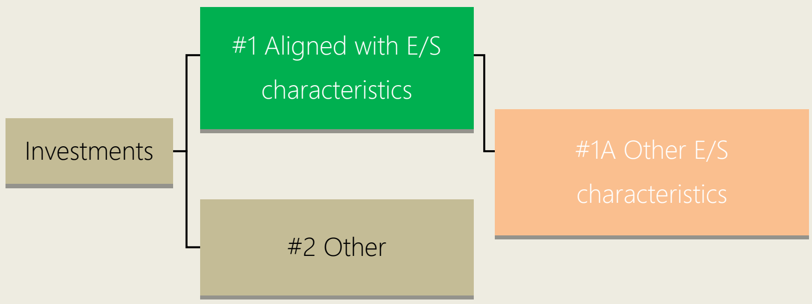
Any breach of the aforementioned standards and an MSCI ESG Rating of below BB results in exclusion from the financial product's universe of investee companies.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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

The Asset Management stipulates in its internal guidelines that at least 67% of the net assets of the sub-fund must pursue the promoted environmental and social characteristics in accordance with the table below (#1 Aligned with E/S characteristics). However, the Asset Management restricts investments in other assets (#2 Other) that do not pursue environmental and/or social characteristics to 33% of the sub-fund's net assets



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** includes the following sub-category:

- The sub-category **#1A Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Derivatives are only used for hedging purposes and do not pursue environmental and/or social characteristics.

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

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

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

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

0% of the portfolio. The Fund does not pursue sustainable investments aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

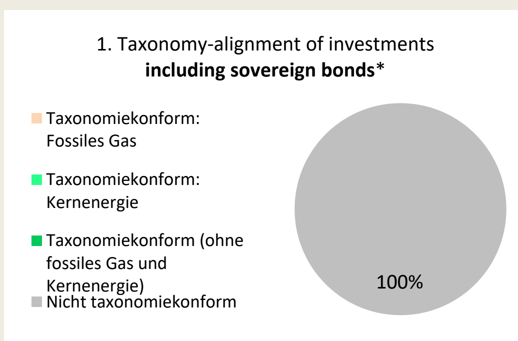
.

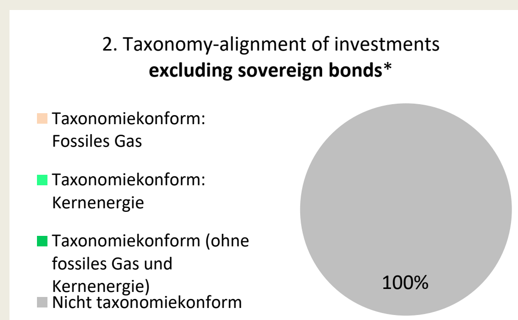
☐ Yes:

☐ in fossil gas ☐ in nuclear energy

☒ No:

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





This graph represents 100% of the total investments.

** 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?

0% of the portfolio.

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

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

0% of the portfolio.

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 socially sustainable investments?

0% of the portfolio.

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

This sub-fund may invest up to 33% of net sub-fund assets in assets that do not align with the characteristics promoted (*#2 Other*). These assets may include any investments covered by the specific investment policy, including derivatives and cash, and are used to pursue the investment strategy of the sub-fund. For these investments, minimum environmental and social safeguards are not generally applied.

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?

A specific index is not designated as a reference benchmark to determine whether the financial product is aligned with the environmental and/or social characteristics it promotes.

Where can I find more product-specific information online?

Further product-specific information is available at:

Further information on the product-related sustainability policy of the sub-fund can be found on the following website:
https://www.gkb.ch/de/private/anlegen-boerse/produkte/anlagefonds-vorsorgefonds/lu-aktien-welt-esg

Information for investors in Switzerland

1. Representative

The representative in Switzerland is Swisscanto Fondsleitung AG, Bahnhofstrasse 9, 8001 Zurich.

2. Paying agent

The paying agent in Switzerland is Graubündner Kantonalbank, Postplatz, 7002 Chur.

3. Location where the relevant documents may be obtained

The sales prospectus, the key information document and the management regulations, as well as the annual and semi-annual reports, are available free of charge from the representative, the paying agent or on the website of Swiss Fund Data AG at www.swissfunddata.ch.

4. Publications

a) In Switzerland, any announcements concerning the Fund will be made on the website of Swiss Fund Data AG at www.swissfunddata.ch.
b) Issue and redemption prices, i.e. the net asset value together with a note “excluding commission” for all unit classes are published on each bank business day on the website of Swiss Fund Data AG at www.swissfunddata.ch.

5. Payment of retrocessions and rebates

The Management Company and its agents do not pay any retrocessions to third parties as remuneration for distribution activity in respect of fund units in Switzerland.

In respect of distribution in Switzerland, the Management Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

6. Place of performance and jurisdiction

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