



**J. Safra Sarasin**

# **JSS Sustainable Equity – SaraSelect**

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

**Prospectus with Integrated Fund Contract**

**October 2025**



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## Part I Prospectus

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

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

### 1. Information on the Investment Fund

#### 1.1 Investment Fund established in Switzerland

The Fund Contract for JSS Sustainable Equity – SaraSelect was drawn up by J. Safra Sarasin Investmentfonds Ltd, as Fund Management Company, and submitted to the former Swiss Federal Banking Commission (SFBC, since renamed Swiss Financial Market Supervisory Authority FINMA) with the consent of Bank J. Safra Sarasin Ltd, as Custodian Bank. The Fund Contract was first approved by the SFBC on 13 December 1995.

#### 1.2 Tax regulations relevant to the Investment Fund

The Investment Fund has no legal personality in Switzerland. It is subject to neither income tax nor capital gains tax.

The Swiss withholding tax levied on the Investment Fund's domestic income may be reclaimed by the Fund Management Company in full for the Investment Fund.

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

The Investment Fund's income distributions (to investors domiciled in Switzerland and abroad) are subject to the Swiss withholding tax (tax at source) of 35%. Any capital gains paid separately are not subject to withholding tax.

Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application.

Investors domiciled abroad can reclaim withholding tax under any double taxation agreement that may exist between Switzerland and their country of domicile. If no such agreement has been signed, no reclaim is possible.

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

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

**Taxation and other tax implications for Investors who hold, buy or sell fund units are defined by the tax laws and regulations in**

**the Investor's country of domicile. Investors should consult their tax advisor for more information. Neither the Fund Management Company nor the Custodian Bank can assume responsibility for the individual tax consequences for the Investor that arise from the purchase, sale or holding of fund units.**

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

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

FATCA:

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

#### 1.3 Financial year

The financial year runs from 1 September to 31 August.

#### 1.4 Audit firm

The audit firm is Deloitte AG, Zurich.

#### 1.5 Units

The units are not certificated, but instead are managed as book securities.

In accordance with the Fund Contract, the Fund Management Company has the right, with the consent of the Custodian Bank and the approval of the supervisory authority, to create, cancel or merge different unit classes at any time.

There are currently the following unit classes:

P CHF dist  
I CHF dist  
M CHF dist  
M CHF acc,  
C CHF dist,

All the unit classes currently issued with the "dist" suffix distribute their income. The unit class with the "acc" suffix accumulates its income. The unit classes differ as to the conditions of purchase and the cost structure (see 1.11).

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

The unit class I CHF dist is reserved for qualified investors within the meaning of Article 10 paragraph 3 - 3ter CISA. In addition, a minimum initial investment of 1 million in the currency of the relevant unit class applies for the I CHF dist unit class,

irrespective of whether the investment is made for the Investor's own account or on behalf of a third party. There are no restrictions on the amount of investment for any follow-up investments.

The unit classes M CHF dist and M CHF acc are reserved for Qualified Investors within the meaning of Article 10 paragraph 3 - 3ter CISA who hold an asset management mandate or have signed a special agreement that specifically allows investment in this unit class with Bank J. Safra Sarasin Ltd or one of its group companies or branches. No all-in management fee is levied on the unit classes M CHF dist and M CHF acc. The remuneration for the administration, asset management and distribution will be levied under the terms of the abovementioned contracts by Bank J. Safra Sarasin Ltd or one of its group companies or branches. This authorisation is explicitly regulated in the agreements made between the Fund Management Company and the Asset Manager and between the Fund Management Company and the Bank. The costs of the Fund Management Company for the administration of the M unit classes will be compensated by the Bank based on a separate contractual relationship.

The unit class C CHF dist is reserved for:

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

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

#### Conversion of units

Holders can convert from one unit class into another at any time, provided they meet the requirements of the unit class to which they wish to change. The provisions that apply the issue and redemption of units (see § 17) also apply to the submission of conversion applications.

The unit classes do not represent segmented assets. Accordingly, it cannot be ruled out that one unit class may be liable for

the obligations of another unit class, even though fees are generally only charged to the unit class that is provided with a particular service.

#### **1.6 Listing and trading**

The units are not listed on an exchange.

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

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

In the event of a subscription, investors can apply to make an investment as a contribution in kind, rather than a cash payment, or in the event of a redemption to have the investments transferred to them as a disbursement in kind, rather than receiving a cash payment. The application must be submitted alongside the subscription/cancellation. The Fund Management Company is not bound to permit contributions or redemptions in kind.

The Fund Management Company alone decides on contributions or redemptions in kind and only approves such transactions if the execution of the transactions is fully in line with the investment policy of the Fund and the interests of the other Investors are not adversely affected.

The details of contributions in kind and disbursements in kind are set out in § 17.7 of the Fund Contract.

Subscription and redemption orders received by the Custodian Bank by 12.00 (noon) at the latest on a given bank working day (order day) will be settled on the next bank working day (valuation day) on the basis of the net asset value calculated on this day. The net asset value used for settlement is therefore not known at the time a given order is placed (forward pricing). It is calculated on the valuation date on the basis of the closing prices on the order day or, if these do not reflect the appropriate market value in the opinion of the Fund Management Company, on the basis of the most recent prices available at the time of valuation. If, due to special circumstances, a valuation in accordance with the above rule proves to be impracticable or inaccurate, the Fund Management Company has the right to apply other generally recognised and verifiable valuation criteria in order to achieve an appropriate valuation of the Fund's net assets.

The issue price for the units in a given class is determined as follows: net asset value calculated on the valuation date, plus average incidental costs (standard brokerage charges, fees, taxes, etc.) arising for the Fund as a result of the investment of the paid-in sum, plus issuing commission. The amount of incidental costs and issuing commission are stipulated below in 1.11.

The redemption price for the units in a given class is determined as follows: net asset value calculated on the valuation date,

less average incidental costs arising for the Fund as a result of the sale of part of the assets corresponding to the redeemed portion, less redemption commission. The amount of incidental costs and redemption commission are stipulated below in 1.11. The issue and redemption price will be rounded to two decimal points of the accounting currency for the respective unit class. Payment will be made one bank working day after the valuation date (value date two days).

## 1.8 Appropriation of net income

Appropriation of net income Income distributed to Investors before the end of December each year

## 1.9 Investment objective and investment policy of the Fund

### 1.9.1 Investment objective

The Fund's investment objective is to achieve long-term capital growth.

This Investment Fund primarily invests in participation rights in small and medium-sized companies in Switzerland and Liechtenstein and other investments permitted under the Fund Contract. The investments are made with a long-term, anti-cyclical perspective.

### 1.9.2 Investment policy

The Fund Management invests the assets of the Investment Fund mainly in the equity securities and participation rights of small and medium-sized companies whose registered office or predominant share of business activities is in Switzerland or Liechtenstein. The term "small and medium-sized companies" refers to companies that are not included in the SPI® Large Index of the SIX Swiss Exchange®. This investment fund is in no way supported, assigned, sold or promoted by SIX Swiss Exchange Ltd and SIX Swiss Exchange Ltd makes no warranty whatsoever (whether express or implied) as to the results that may be achieved through the use of the SPI® Large Index (the "Index") and/or the level of the Index at any particular time on any particular date. SIX Swiss Exchange was not involved in any way in the preparation of the information contained in this report. SIX Swiss Exchange gives no guarantee and accepts no liability (whether arising from negligence or otherwise) as regards the information contained in this report, including, but not limited to, its accuracy, adequacy, correctness, completeness, timeliness and suitability for any purpose – as well as in relation to any errors, omissions or interruptions in the SMI Indices® or its data. Any dissemination or transfer of information originating from SIX Swiss Exchange is prohibited.

In addition to financial considerations, the Fund integrates environmental, social and governance (ESG or sustainability) aspects into the investment process. 100% of the Fund's assets, less liquid assets and derivatives as defined in § 8 of the Fund Contract, are invested in instruments which meet the requirements of the sustainable investment policy. The following ap-

proaches are applied: Standards-based **exclusions and exclusions of controversial activities** ("Standards-based exclusions of JSS"), a **positive screening approach** (avoidance of securities with a weak ESG profile relative to their peers), and **stewardship (active ownership)**. This applies for the entire investment process, from the definition of the investment universe through investment analysis to portfolio construction and risk management. The Investment Fund aims to avoid controversial exposure, minimise ESG risks, exploit ESG opportunities and achieve an above-average ESG profile.

The following instruments and methods are applied to achieve the sustainability objective: Standards-based exclusions and exclusions of controversial activities ("Standards-based exclusions of JSS"), a positive screening/worst-out approach (portfolio better than comparable securities, overweighting of securities, avoidance of securities with a weak ESG profile relative to their peers), and stewardship (active ownership), which involves the Fund exercising its voting rights and engaging with portfolio companies.

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

Sustainable Investment Policy:

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

The sustainable investment policy is essentially as follows:

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

### **Standards-based exclusions and exclusions of controversial activities ("Standards-based exclusions of JSS")**

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

- controversial weapons (none);
- defence and armaments (less than 5%);

- Coal (less than 5% for coal extraction and less than 10% for coal-fired electricity generation);
- genetically modified organisms in agriculture and medicine (none);
- Palm oil (less than 5%, unless at least 75% of sites have certification from the Roundtable on Sustainable Palm Oil – RSPO);
- tobacco (less than 5%);
- adult entertainment (less than 5%);
- human rights violations under international law (structural, sustained failure to comply with the principles of the UN Global Compact) (none);

**Review of positive and negative criteria: Positive screening/worst-out approach**

Bank J. Safra Sarasin Ltd generally defines investment universes according to an ESG approach under which the best assets in the respective class are selected (best-in-class/positive screening approach) or according to an ESG approach that excludes the worst assets (worst-out approach). The positive screening and worst-out approaches are used with this Investment Fund. The investment universe is defined according to the company's own "sustainability matrix", which is protected under trade mark law.

ESG criteria may include the following:

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

J. Safra Sarasin's proprietary sustainability matrix is used to assess the sustainability of companies. In accordance with our Sustainable Investment Policy, we use external data providers including (but not limited to) MSCI, S&P Global Market Intelligence and RepRisk, as well as other publicly available sources such as websites and annual reports for the data used in the analyses to create this sustainability matrix.

The approach is based both on an analysis of the ESG risks and opportunities of companies within their respective sectors and on an assessment of the sector itself. The company rating uses a series of material sustainability themes (key issues) for the relevant sector. The performance of a company is compared

with other companies in the same sector. The company rating also includes an assessment of controversial incidents and events and how the company remedies/handles these, carried out via a media review.

The sector rating is based on an analysis of direct and indirect negative externalities taking the full value chain into consideration. Sector analysis compares the environmental (E), social (S) and governance risks (G) of a sector in comparison to other sectors. The final rating of a company in the sustainability matrix combines the company rating and the sector rating. Based on the outcome of the final rating, companies are allocated to one of four categories – A, B, C or D – within the J. Safra Sarasin sustainability matrix.

The Fund invests in companies with a minimum rating of A or B on the basis of the proprietary J. Safra Sarasin sustainability matrix.

The Asset Manager is bound by the outcomes of the sustainability analysis and the resulting minimum ratings when making its investment decisions. The Asset Manager selects companies based on their rating. Securities with a weak ESG profile, either in absolute terms or relative to their peers, are underweighted.

**Stewardship (Active Ownership)**

This Investment Fund falls within the scope of the Active Ownership Policy of Bank J. Safra Sarasin. This approach is applied via voting and engagement.

- a) Voting: In order to strengthen engagement, the Fund Management Company exercises the voting rights associated with the Fund's investments in line with its conversations with investee companies and based on the voting rights recommendations of Bank J. Safra Sarasin Ltd pursuant to point 2.7 of the Prospectus (Voting). The voting rights recommendations may be supported by dialogue between Bank J. Safra Sarasin Ltd and/or the Asset Manager and investee companies and other measures. In the event that a voting rights representative is appointed, the Fund Management Company has developed specific guidelines in consultation with Bank J. Safra Sarasin Ltd (Sustainable Investment Research – Active Ownership Team), which reflect the general approach to sustainable investment and research methodology, systematically take account of ESG considerations, and guarantee the Fund Manager's independence when exercising voting rights.
- b) Engagement: The Fund enhances its sustainability characteristics by applying its Active Ownership Policy,



which involves speaking with selected companies individually on specific ESG issues that have been identified, in order to promote more responsible environmental, social and governance (ESG) practices. This engagement is carried out by Bank J. Safra Sarasin Ltd on behalf of the Fund Management Company and with the involvement of the Asset Manager via targeted and constructive dialogue with selected investee companies.

Bank J. Safra Sarasin Ltd defines the company-specific engagement issues and priorities on the basis of the results of ESG analysis in consultation with the Asset Manager. The environmental and social risks and opportunities to which the relevant company is exposed and the level of materiality are considered when setting targets. These risks and opportunities are often closely associated with the industrial sector in which the company operates.

More detailed information concerning our Stewardship Policy can be found at:

Stewardship Policy:

<https://publications.jsafrasarsasin.com/publicationpublic/get-latestpublication?prefix=StewardshipPolicy&lang=en>

Stewardship Report:

<https://publications.jsafrasarsasin.com/publicationpublic/get-latestpublication?prefix=StewardshipReport&lang=en>

ESG due diligence using qualitative and quantitative factors is used to create a sustainability list of investee target funds. The Fund is only permitted to invest in target funds included on the sustainability list.

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

Including derivatives, the Fund may invest up to 10% of its assets in the securities of a single issuer and up to 10% of its assets in the units of other collective investment schemes included on Bank J. Safra Sarasin's sustainability list of investee target funds.

The Fund Management Company invests at least 51% of the Fund's assets in equity securities via direct investments.

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

Transactions involving derivative financial instruments may give rise to counterparty risks. In order to minimise these risks,

the Fund Management Company and the Custodian Bank may require collateral from the counterparties as a guarantee.

The following types of collateral are permitted:

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

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

For derivative transactions that are not cleared centrally, the Fund Management Company or its agents may conclude mutual collateralisation agreements with the counterparties. The value of the exchanged collateral must at all times correspond to at least the replacement value of the outstanding derivative transactions.

Individual items of collateral may be valued at a discount, which is based on the volatility of the markets and the liquidity of the collateral. The following minimum haircuts (% deduction from market value) apply in the event of collateralisation:

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

Cash collateral can be reinvested as follows and with the following risks:

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

Detailed information on the investment policy and investment restrictions, admissible investment techniques and instruments (especially derivative financial instruments and their volume) is provided in the Fund Contract (see Part 2, §§ 7-15).

#### 1.9.4 Use of derivatives

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

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

Only basic types of derivatives may be used, i.e. call or put options, credit default swaps (CDS), swaps and futures and forwards) as described in more detail in the Fund Contract (see § 12), as long as the associated underlying instruments are admissible under the Fund's investment policy. The derivative transactions may be concluded either on a stock exchange or another regulated market open to the public, or in OTC (over-the-counter) trading. In addition to market risk, derivatives are also subject to counterparty risk, i.e. the risk of the party being unable to meet its obligations, leading to financial loss.

With a CDS, the default risk of a credit position is transferred from the risk seller to the risk buyer. The risk buyer receives a premium as compensation. The amount of this premium depends, among other things, on the likelihood of loss and the maximum loss amount; both factors are generally difficult to assess, which increases the risk associated with CDS. The Investment Fund can be both a risk seller and a risk buyer.

Even under exceptional market conditions, the use of these instruments may not have a leverage effect on the Fund's assets or correspond to a short sale.

#### 1.10 Net asset value

The net asset value of a unit in a unit class is obtained from the proportion of the market value of the Fund's assets attributable to the relevant unit class, less any liabilities of the Investment Fund allocated to the relevant unit class, divided by the number of units of the relevant class in circulation. It will be rounded to two decimal points of the accounting currency for that unit class.

#### 1.11 Fees and incidental costs

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

All-in management fee

- Unit class P CHF dist:  
not more than 1.95% p.a. of the net asset value
- Unit class I CHF dist:  
not more than 1.40% p.a. of the net asset value
- Unit classes M CHF dist and M CHF acc:  
not more than 0.00% p.a. of the net asset value; will be levied separately
- Unit class C CHF dist:  
not more than 1.50% p.a. of the net asset value

This fee (except for unit class M CHF dist) covers the administration, asset management and (where applicable) distribution activities in relation to the Fund as well as the Custodian Bank's remuneration for providing its services, such as the safekeeping of the Fund's assets, the handling of payment transactions and the other tasks mentioned in § 4 of the Fund Contract.

For the distribution of annual income to the Investors, the Custodian Bank will charge the Investment Fund a commission of not more than 0.5% of the gross amount of the distribution.

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

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

##### 1.11.2 Total Expense Ratio

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

Unit class P CHF dist	
01/09/2020 to 31/08/2021:	1.72%
01/09/2021 to 31/08/2022:	1.71%
01/09/2022 to 31/08/2023:	1.72%
01/09/2023 to 31/08/2024:	1.49%

Unit class C CHF dist	
01/09/2022 to 31/08/2023:	1.22%
01/09/2023 to 31/08/2024:	1.04%

Unit class I CHF dist	
01/09/2022 to 31/08/2023:	1.02%
01/09/2023 to 31/08/2024:	0.74%

Unit class M CHF acc	
01/09/2022 to 31/08/2023:	1.12%

Unit class M CHF dist	
01/09/2022 to 31/08/2023:	1.12%
01/09/2023 to 31/08/2024:	0.14%

### 1.11.3 Payment of retrocessions and rebates

The Fund Management Company and its representatives can pay retrocessions to cover the Fund's distribution activity. This compensation may be used in particular to cover activities aimed at promoting the distribution or brokerage of Fund units, such as: the organisation of road shows, participation in events and trade fairs, the production of advertising material, the training of sales staff, etc.

Retrocessions are not treated as rebates if they are effectively passed on in part or in full to the Investors. The recipients of retrocessions shall ensure transparent disclosure and inform Investors – of their own accord and free of charge – about the amount of compensation they may receive in association with distribution. The recipients of retrocessions shall disclose the actual amounts received for distributing these Investors' collective investment schemes upon request.

The Fund Management Company and its representatives can pay rebates directly to the Investor on request in connection with the distribution activity. Rebates serve to reduce the fees or costs that are attributable to the Investors concerned. Rebates are admissible as long as

- they are paid from the Fund Management Company's fees and therefore do not place an additional burden on the Fund's assets;
- they are granted on the basis of objective criteria;
- they are granted – within the same timeframe and in equal amount – to all Investors who meet the objective criteria.

The objective criteria for granting rebates are as follows:

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

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

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

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

- not more than 3% for units of the unit classes P and C
- not more than 0.00% for unit classes I and M

Incidental costs in favour of the Fund's assets which arise for the Fund as a result of the investment of the paid-in sum or costs from the sale of redeemed units (§ 17 point 2 of the Fund Contract).

Addition to the net asset value	0.2%
Deduction from the net asset value	0.2%

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

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

### 1.11.6 Investments in related collective investment schemes

No issue or redemption commission shall be charged for investments in collective investment schemes that are either managed directly or indirectly by the Fund Management Company itself or by a company with which the Fund Management Company is related by virtue of common management, control or a significant direct or indirect interest.

### 1.12 Inspection of reports

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

### 1.13 Legal form of the Investment Fund

JSS Sustainable Equity – SaraSelect is an investment fund under Swiss law of the "other funds for traditional investments" type pursuant to the Swiss Federal Act on Collective Investment Schemes of 23 June 2006.

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

### 1.14 Main risks

Since the Fund invests in equities, the primary risks associated with the Investment Fund result from the fact that the Fund's performance is influenced by company-specific changes and developments in the economic climate. The market in participation rights in mid-sized and small companies in particular is partially characterised by poor liquidity. On the one hand, this can make it significantly more difficult to trade in these instruments depending on the state of the market; on the other hand, it can lead to above-average price fluctuations. It may temporarily hinder realistic pricing of individual positions. The value of the Fund's investments can therefore fluctuate and there is no guarantee that Investors will receive the value of their original

investment on selling their fund units. In addition, if the investor's reference currency differs from the Fund's investment currency, a currency risk exists.

#### Sustainability risks:

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

#### Other risks related to the ESG approach:

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

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

- By simultaneously considering and combining E, S and G risks it is possible that an individual risk will be given less consideration from a general perspective than it would be under strategies that are specifically focused on this individual risk.
- The consideration of ESG factors within the investment policy is based in part on information obtained from external providers; although these providers are carefully selected, and are recognised specialists, it cannot be excluded that the information may be incomplete, inaccurate, incorrect, inconsistent or unavailable. There is therefore a risk that an issuer or a security may be assessed incorrectly and thus incorrectly incorporated into or excluded from the Fund's portfolio.
- The application of ESG criteria may influence the Investment Fund's performance. Accordingly, the Investment Fund may perform differently compared with similar funds for which these criteria are not applied.
- If the Investment Fund's investment policy incorporates exclusionary criteria based on ESG considerations, this may result in the Investment Fund deciding not to purchase particular securities, even if a purchase would be beneficial, or selling securities on account of their ESG characteristics, even if this could be disadvantageous.
- There is no certainty that individual engagement activities will yield the expected results. The outcomes targeted may in some circumstances only occur at a later date than hoped for.

#### 1.15 Liquidity risk management

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

### 2. Information on the Fund Management Company

#### 2.1 General information on the Fund Management Company

The Fund Management Company is J. Safra Sarasin Investmentfonds Ltd. The Fund Management Company, which is domiciled in Basel, has been active in the fund business since its formation in 1993.

## 2.2 General information on the Fund Management Company

As of 31 December 2024, the Fund Management Company managed a total of 17 collective investment schemes in Switzerland, with assets under management totalling CHF 3.195 billion.

## 2.3 Board of Directors and Management

### Board of Directors

Oliver Cartade (Chairman of the Board of Directors), Member of the Executive Board of Bank J. Safra Sarasin Ltd, Basel  
 Urs Oberer (Vice-Chairman of the Board of Directors), Managing Director of Bank J. Safra Sarasin Ltd, Basel  
 Daniel Graf, Managing Director of Bank J. Safra Sarasin Ltd, Basel  
 Jan Stig Rasmussen

### Management

Michaela Imwinkelried, Managing Director  
 Sarah Saade, Executive Director  
 Elvan Sahin, Executive Director  
 Valter Rinaldi, Executive Director  
 Pinar Tiniç, Director

## 2.4 Subscribed and paid-up capital

The amount of the subscribed share capital of the Fund Management Company as at 31 December 2024 is CHF 4 million. The share capital is divided into registered shares and is fully paid up. J. Safra Sarasin Investmentfonds Ltd is a wholly owned subsidiary of J. Safra Sarasin Holding Ltd, which also owns Bank J. Safra Sarasin Ltd.

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

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

## 2.5 Delegation of investment decisions

Investment decisions in respect of the Fund are delegated to VV Vermögensverwaltung AG in Zug. VV Vermögensverwaltung AG is an asset management company, and as such is subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. The company was established in 1995. As an independent asset management company, its purpose is to provide services pertaining to financial advice and asset management, with a focus on the specialist area of Swiss equities and concentrating on listed companies of medium size and smaller as well as companies traded on over-the-counter or secondary markets. Precise details of how its remit is to be fulfilled are laid down in the asset management agreement concluded between

J. Safra Sarasin Investmentfonds Ltd and VV Vermögensverwaltung AG.

## 2.6 Delegation of other specific tasks

The Fund’s accounts are handled by CACEIS Bank, Montrouge, Zurich Branch/Switzerland, which has many years of experience in bookkeeping for investment funds and securities. Precise details of how its remit is to be fulfilled are laid down in the agreement between J. Safra Sarasin Investmentfonds Ltd and CACEIS Bank, Montrouge, Zurich Branch/Switzerland.

## 2.7 Exercising of membership and creditors’ rights

The Fund Management Company exercises the membership and creditors’ rights associated with the investments of the Funds it manages independently and exclusively in the interests of the Investors. Investors may obtain information from the Fund Management Company concerning the exercise of membership and creditor rights at any time. In the case of scheduled routine transactions, the Fund Management Company is free to exercise membership and creditors’ rights itself or to delegate their exercise to the Custodian Bank or a third party, as well as to waive the exercise of the membership and creditors’ rights. In the case of all other events that might have a lasting impact on the interests of the Investors, such as, in particular, the exercising of membership and creditors’ rights the Fund Management Company holds as a shareholder or creditor of the Custodian Bank or another related legal entity, the Fund Management Company will exercise the voting rights itself or issue explicit instructions. In such cases, it may base its actions on information it receives from the Custodian Bank, the asset manager, the Fund Management Company or from specialist advisors or other third parties, or learns from the media. The Fund Management Company reports on its engagement activities in the audited annual report of the Investment Fund.

## 3. Information on the Custodian Bank

### 3.1 General information on the Custodian Bank

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

### 3.2 Additional information on the Custodian Bank

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

The Custodian Bank may transfer the safekeeping of the fund assets to third-party custodians and central securities depository.

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

The Custodian Bank is liable for damage or loss caused by its agents unless it is able to prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring.

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

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

#### 4. Information on third parties

##### 4.1 Paying agents

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

##### 4.2 Distributor

The Fund Management Company may bring in third parties to market and distribute the Fund. In particular, Bank J. Safra Sarasin Ltd acts as distributor.

#### 5. Further information

##### 5.1 Key data

Swiss security number(s)

- Unit class P CHF dist 123406
- Unit class I CHF dist 27229341
- Unit class M CHF dist 18582903
- Unit class M CHF acc 119777836
- Unit class C CHF dist 23229560

Listing None

Financial year 1 September to 31 August

Term unlimited

Accounting currency

Swiss franc (CHF)

Units

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

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

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

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

The net asset value per unit is published daily for all unit classes on the Internet platform of Swiss Fund Data AG ([www.swissfunddata.ch](http://www.swissfunddata.ch))

and in particular at [www.jsafrasarsasin.ch/funds](http://www.jsafrasarsasin.ch/funds).

##### 5.3 Sales restrictions

The issue and redemption of units in this investment fund abroad are subject to local regulations in individual countries.

- a) The Fund has been authorised for sale in the following countries: Switzerland.
- b) Units of this Investment Fund may not be offered, sold or delivered in the USA or in any of its territories or possessions.

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

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

#### 6. Further investment information

##### 6.1 Profile of the typical investor

The Fund is suited to investors with a long-term investment horizon seeking capital growth. It is intended as a supplementary investment in the Swiss small and mid-cap sector for institutional and retail investors. The value of equities is primarily influenced by market and sector-specific factors and may therefore rise as well as fall. Small and mid-cap equities are subject to comparatively higher price risk. Investors can exploit any resulting fluctuations in the net asset value of the fund units and are not tied to a specific date on which to realise the investment.

**7. Detailed regulations**

All further information on the Fund, such as the method used for the valuation of the Fund's assets, a list of all fees and incidental costs charged to the Investor and the Investment Fund,

and the appropriation of net income, can be found in the Fund Contract.

## Part II Fund Contract

### I. Basic principles

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

1. A contractual fund of the “other funds for traditional investments” type has been established under the name JSS Sustainable Equity – SaraSelect (the “Investment Fund”) in accordance with Article 25 et seq. in conjunction with Article 68 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).
2. The Fund Management Company is J. Safra Sarasin Investmentfonds Ltd, Basel.
3. The Custodian Bank is Bank J. Safra Sarasin Ltd, Basel.
4. The asset manager is VV Vermögensverwaltung AG, Zug.

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

#### § 2 The Fund Contract

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

#### § 3 The Fund Management Company

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

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

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

#### § 4 The Custodian Bank

1. The Custodian Bank holds the Fund's assets for safekeeping. It handles the issue and redemption of Fund units as well as payment transactions for the Investment Fund.
2. The Custodian Bank and its agents are subject to loyalty, due diligence and information obligations. They act independently and solely in the interests of the Investors. They implement the organisational measures that are necessary for proper management. They account for the collective investment schemes they retain and provide information on all fees and costs charged directly or indirectly to Investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary benefits.
3. The Custodian Bank is responsible for managing the account and securities account of the Investment Fund, but cannot dispose of the Investment Fund's assets independently.
4. The Custodian Bank ensures that, for transactions relating to the Investment Fund's assets, the equivalent value is transferred within the customary timeframe. It shall notify the Fund Management Company if the equivalent value is not reimbursed within the customary timeframe and demand a substitute from the counterparty for the asset concerned, provided it is possible to do so.
5. The Custodian Bank keeps the necessary records and accounts in such a way that it can distinguish between the assets it holds in custody for each individual Investment Fund at all times.

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The Custodian Bank verifies the ownership of the Fund Management Company regarding assets that cannot be held in custody and keeps a record of this.

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

- a) has the appropriate operational organisation, financial guarantees and professional qualifications required for the type and complexity of the assets entrusted to it;
- b) is subject to regular external audits, thereby ensuring that the financial instruments are in its possession;
- c) holds the assets received from the Custodian Bank in such a way that they can be clearly identified by the Custodian Bank as belonging to the Fund's assets at all times by means of regular inventory reconciliations.
- d) complies with the regulations applicable to the Custodian Bank with regard to the performance of its delegated tasks and the avoidance of conflicts of interest.

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

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

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

8. The Custodian Bank is entitled to receive the fees stipulated in § 18 and § 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties, and to be reimbursed for expenses incurred in connection with such liabilities.
9. The Custodian Bank is not responsible for the safekeeping of the assets of the target funds in which this Investment Fund invests, unless this task has been delegated to it.

## § 5 The Investor

1. There are no restrictions on who may invest. There may be restrictions for individual classes pursuant to § 6 point 4.
2. On concluding the contract and making a payment in cash, the Investor acquires a claim against the Fund Management Company in respect of participation in the Investment Fund's assets and income. Instead of a payment in cash and with the Fund Management Company's permission, the Investor can make a contribution in kind in accordance with the provisions set out in § 17 point 7. The Investor's claim is unit-based.
3. Investors are only obliged to pay their subscribed unit into the Investment Fund. They are not personally liable for the liabilities of the Investment Fund.
4. Investors may obtain information concerning the basis of the calculation of the net asset value per unit from the Fund Management Company at any time. If Investors assert an interest in more detailed information on specific business transactions effected by the Fund Management Company, such as the exercise of membership and creditors' rights, or on risk management, they must be given such information by the Fund Management Company at any time. Investors may submit an application to the court that has jurisdiction over the registered office of the Fund Management Company to request that the audit firm or another expert investigate the matter requiring clarification and report back to them.
5. As a general rule, the Investors may terminate the Fund Contract at any time and demand that their share in the Investment Fund be paid out in cash. Instead of a payment in cash and with the Fund Management Company's permission, the investor can be granted a disbursement in kind, in accordance with the provisions set out in § 17.7.
6. Upon request, Investors are obliged to provide the Fund Management Company and/or the Custodian Bank and their agents with proof that they comply with or continue to comply with the conditions laid down in the law or the Fund Contract in respect of participation in the Fund or in a unit class. Furthermore, they are obliged to inform the Custodian Bank, the Fund Management Company and their agents as soon as they cease to meet these conditions.
7. The Fund Management Company, in conjunction with the Custodian, must enforce the compulsory redemption of an Investor's units at the current redemption price if:

- a) this is necessary to safeguard the reputation of the financial market, and specifically to combat money laundering;
  - b) an Investor no longer meets the statutory or contractual requirements for participating in this Investment Fund.  
Bearer unit certificates structured as securities must be presented to the Fund Management Company or its agents by 30 October 2015 to be exchanged for book-entry units of the same class. If physical bearer units still exist as at 2 November 2015, redemption in accordance with section 5 (7) (a) shall be enforced. If such units have not been returned within this time period, the corresponding equivalent value of the unit certificates in Swiss francs shall be deposited immediately for the investors in question.
8. In addition, the Fund Management Company, in conjunction with the Custodian Bank, can enforce the compulsory redemption of an Investor's units at the current redemption price if:
- a) the participation of the Investor in the Investment Fund is such that it might have a significant detrimental impact on the economic interests of the other Investors, in particular if the participation might result in tax disadvantages for the Investment Fund in Switzerland or abroad;
  - b) the Investor has acquired or holds their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, of this Fund Contract or of the Prospectus;
  - c) there is a detrimental impact on the economic interests of the Investors, in particular in cases in which individual Investors seek by way of systematic subscriptions and immediate redemptions to achieve a financial benefit by exploiting the time differences between the setting of the closing prices and the valuation of the fund assets (market timing).

## § 6 Units and unit classes

1. With the consent of the Custodian Bank and the approval of the supervisory authority, the Fund Management Company may create, cancel or merge different unit classes at any time. All unit classes entitle the holder to participate in the undivided Fund assets, which in turn are not segmented. This participation may vary due to class-specific costs or distributions or due to class-specific income, and the various unit classes may therefore have different net asset values per unit. The assets of the Investment Fund as a whole are liable for class-specific costs.
2. The creation, cancellation or merger of unit classes shall be announced in the medium of publication. Only mergers are deemed a change to the Fund Contract pursuant to § 27.
3. The various unit classes may differ from one another in terms of their cost structure, reference currency, currency

hedging, policy with regard to distribution or reinvestment of income, the minimum investment required, and investor eligibility. Fees and costs shall only be charged to the unit class that is provided with a particular service. Fees and costs that cannot be clearly allocated to a specific unit class are charged to the individual unit classes in proportion to the Fund's assets.

4. There are currently the following unit classes:

P CHF dist

I CHF dist

M CHF dist

M CHF acc,

C CHF dist,

All the unit classes currently issued with the "dist" suffix distribute their income. The unit class with the "acc" suffix accumulates its income. The unit classes differ as to the conditions of purchase and the cost structure (see § 19).

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

The unit class I CHF dist is reserved for qualified investors within the meaning of Article 10 paragraph 3 - 3ter CISA. In addition, a minimum initial investment of 1 million in the currency of the relevant unit class applies for the I CHF dist unit class, irrespective of whether the investment is made for the Investor's own account or on behalf of a third party. There are no restrictions on the amount of investment for any follow-up investments.

The unit classes M CHF dist and M CHF acc are reserved for Qualified Investors within the meaning of Article 10 paragraph 3 - 3ter CISA who hold an asset management mandate or have signed a special agreement that specifically allows investment in this unit class with Bank J. Safra Sarasin Ltd or one of its group companies or branches. No all-in management fee is levied on the unit classes M CHF dist and M CHF acc. The remuneration for the administration, asset management and distribution will be levied under the terms of the abovementioned contracts by Bank J. Safra Sarasin Ltd or one of its group companies or branches. This authorisation is explicitly regulated in the agreements made between the Fund Management Company and the Asset Manager and between the Fund Management Company and the Bank. The costs of the Fund Management Company for the administration of the M unit classes will be compensated by the Bank based on a separate contractual relationship.

The unit class C CHF dist is reserved for:

- 1) Investors who hold an asset management mandate or have signed an advisory agreement with Bank J. Safra Sarasin Ltd or one of its group companies or branches,
- 2) Regulated financial intermediaries domiciled in Switzerland or other countries, such as banks, securities dealers, fund management companies and asset

managers of collective investment schemes as well as other asset managers making investments in their own name and:

- a) for their own account
  - b) for clients within the framework of an asset management mandate or advisory agreement
  - c) for a collective investment scheme.
- 3) Investors making investments on the basis of an advisory agreement concluded with the regulated financial intermediaries or asset managers referred to in point 2) above.
- 4) Employees of the J. Safra Sarasin Group

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

- 5. The units are not certificated, but instead are managed as book securities. Investors are not entitled to demand the delivery of a registered or bearer fund unit certificate.
- 6. The Custodian Bank and the Fund Management Company are obliged to instruct Investors who no longer meet the conditions for holding a unit class that, within 30 calendar days, they must redeem their units pursuant to § 17, transfer them to a person who does meet the aforementioned conditions, or convert them into units of another unit class whose conditions they do meet. If the Investor fails to comply with this demand, the Fund Management Company must, in cooperation with the Custodian Bank, either carry out a compulsory conversion to another unit class of this Investment Fund or, if this is not possible, carry out a compulsory redemption of the units concerned within the meaning of § 5 point 7.

### III. Investment policy guidelines

#### A Investment Principles

##### § 7 Compliance with investment restrictions

- 1. When selecting individual investments, the Fund Management Company observes the percentage restrictions listed below for the purpose of balanced risk diversification. These restrictions relate to the Fund's assets at market value and must be complied with at all times.
- 2. If the restrictions are exceeded due to market changes, the investments must be reduced to the permitted level within a reasonable timeframe, while safeguarding the interests of the Investors. If the investment regulations are actively violated, namely through purchases or sales, the investments must be restored to the permitted level without delay. If Investors are not compensated for losses incurred as a result of such an active investment violation, the audit firm must be notified of the violation immedi-

ately and it must be published in the medium of publication as soon as possible. The notification and publication must include a specific description of the investment violation as well as the losses incurred by Investors. All active investment violations are to be included in the annual report. If restrictions in connection with derivatives pursuant to § 12 below are violated by a change in the delta, proper order must be restored within three banking days at the latest, while safeguarding the interests of the Investors.

##### § 8 Investment policy

- 1. The Fund Management Company may invest this Investment Fund's assets in the investments listed below. The risks involved in these investments must be disclosed in the Prospectus.

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

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

- b) Derivatives, providing that: (i) the underlyings are securities as defined in a), derivatives as defined in b), units in collective investment schemes as defined in d), financial indices, interest rates, exchange rates, credits or currencies; and (ii) the underlyings are permitted as investments under the Fund Contract. Derivatives are traded either on a stock exchange or other regulated market open to the public, or OTC. OTC transactions are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions; and (ii) the OTC derivatives can be traded daily or a return to the issuer is possible at any time. In addition, it must be possible for them to be valued in a reliable and transparent manner. Derivatives may be used pursuant to § 12.
- c) Structured products, if (i) the underlyings are securities as defined in a); derivatives as defined in b); structured products as defined in c); units in collective investment schemes as defined in d); money market instruments as defined in e); financial indices, interest rates, exchange rates, credits or currencies; and (ii) the underlyings are permitted as investments under the Fund Contract. Structured

products are traded either on a stock exchange or other regulated market open to the public, or OTC; OTC transactions are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions; and (ii) the OTC products can be traded daily or a return to the issuer is possible at any time. In addition, it must be possible for them to be valued in a reliable and transparent manner.

- d) Units of other collective investment schemes (target funds), provided that (i) their documents restrict investments for their part in other target funds to a total of 10%; (ii) these target funds are subject to provisions equivalent to those pertaining to securities funds in respect of the object, organisation, investment policy, investor protection, risk diversification, asset segregation, borrowing, lending, short-selling of securities and money market instruments, the issuing and redemption of fund units and the content of the semi-annual and annual reports; and (iii) these target funds are authorised as collective investment schemes in their country of domicile and are subject there to supervision which is equivalent to that in Switzerland and which serves to protect Investors, and that international administrative assistance is ensured.
  - e) Subject to the provisions of § 19, the Fund Management Company may acquire units in target funds managed directly or indirectly by the Fund Management Company itself or by a company to which the Fund Management Company is related by virtue of common management or control, or by a significant direct or indirect interest.
  - f) Investments other than those specified in a) to c) above up to a total of 10% of the fund assets. The following are not permitted: (i) investments in precious metals, precious metals certificates, commodities and commodity certificates; and (ii) real short-selling of any type of investment.
2. The Fund's investment objective is to achieve long-term capital growth.
- a) The Fund Management Company may invest at least two thirds of the fund assets (after deducting liquid assets) in:
    - aa) Equity securities and participation rights (shares, dividend-right certificates, shares in cooperative societies, participation certificates and similar instruments) of small and medium-sized companies which are domiciled or whose commercial activity is based mainly in Switzerland or Liechtenstein and which comply with the sustainability criteria listed in §8 point 2 and in the Prospectus. The term "small and medium-sized companies" refers to companies that are not included in the SPI® Large In-

dex. The Fund enhances its sustainability characteristics by applying its Active Ownership Policy, which involves speaking with selected companies individually on specific ESG issues that have been identified, in order to promote more responsible environmental, social and governance (ESG) practices. This engagement is carried out by Bank J. Safra Sarasin on behalf of the Fund Management Company and with the involvement of the Asset Manager via targeted and constructive dialogue with selected investee companies.

- ab) Units in other collective investment schemes which invest their assets in accordance with the guidelines of this Investment Fund or parts thereof and which are included on Bank J. Safra Sarasin's sustainability list of investee target funds. More detailed information can be found in the Prospectus.
  - ac) Derivatives (including warrants) on the investments indicated above.
  - ad) structured products such as certificates from issuers worldwide on the investments indicated above, which are denominated in CHF.
- In the case of investment in other collective investment schemes in accordance with paragraph ab) above and structured products in accordance with paragraph ad) above the Fund Management Company will ensure that on a consolidated basis at least two thirds of the fund assets are invested in investments indicated in the paragraph aa).
- b) In addition, the Fund Management Company may, without prejudice to paragraph c), invest up to a third of the fund assets, after deducting liquid assets, in:
    - Equity securities and participation rights (shares, dividend-right certificates, shares in cooperative societies, participation certificates and similar instruments) of companies which fail to meet the criteria set out in Point 2 letter aa) with regard to domicile or the bulk of their commercial activity but which nonetheless meet the sustainability criteria listed in the Prospectus.
  - c) In addition, the Fund Management Company shall comply with the investment restrictions below that relate to the fund assets after deducting liquid assets:
    - Up to 25% in derivatives (including warrants) pursuant to point 2 ac).
    - Up to 10% in other collective investments pursuant to point 2 ab) with a similar investment policy.
    - The Fund Management Company invests at least 51% of the Fund's assets in equity securities via direct investments.

In addition to financial considerations, the Fund integrates environmental, social and governance (ESG or sustainability) aspects into the investment process. The Investment Fund aims to avoid controversial exposure, minimise ESG risks, exploit ESG opportunities and achieve an above-average ESG profile.

100% of the Fund's assets, less liquid assets and derivatives as defined in § 8 of the Fund Contract, are invested in instruments which meet the requirements of the sustainable investment policy. The sustainable investment policy is implemented throughout the entire investment process, from the definition of the investment universe through investment analysis to portfolio construction and risk management.

The following approaches are applied:

#### **Standards-based exclusions and exclusions of controversial activities ("Standards-based exclusions of JSS")**

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

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

#### **Review of positive and negative criteria: Positive screening/worst-out approach**

Bank J. Safra Sarasin Ltd generally defines investment universes according to an ESG approach under which the best assets in the respective class are selected (best-in-class/positive screening approach) or according to an ESG approach that excludes the worst assets (worst-out approach). The positive screening and worst-out approaches are used with this Investment Fund. The investment universe is defined according to the company's own "sustainability matrix", which is protected under trade mark law.

ESG criteria may include the following:

- governance (e.g. composition of the board of directors, remuneration of management, governance code of conduct);

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

J. Safra Sarasin's proprietary sustainability matrix is used to assess the sustainability of companies. In accordance with our Sustainable Investment Policy, we use external data providers including (but not limited to) MSCI, S&P Global Market Intelligence and RepRisk, as well as other publicly available sources such as websites and annual reports for the data used in the analyses to create this sustainability matrix.

The approach is based both on an analysis of the ESG risks and opportunities of companies within their respective sectors and on an assessment of the sector itself. The company rating uses a series of material sustainability themes (key issues) for the relevant sector. The performance of a company is compared with other companies in the same sector. The company rating also includes an assessment of controversial incidents and events and how the company remedies/handles these, carried out via a media review.

The sector rating is based on an analysis of direct and indirect negative externalities taking the full value chain into consideration. Sector analysis compares the environmental (E), social (S) and governance risks (G) of a sector in comparison to other sectors. The final rating of a company in the sustainability matrix combines the company rating and the sector rating. Based on the outcome of the final rating, companies are allocated to one of four categories – A, B, C or D – within the J. Safra Sarasin sustainability matrix.

The Fund invests in companies with a minimum rating of A or B on the basis of the proprietary J. Safra Sarasin Ltd sustainability matrix.

#### **Stewardship (Active Ownership)**

This Investment Fund falls within the scope of the Active Ownership Policy of Bank J. Safra Sarasin. This approach is applied via voting and engagement.

- a) Voting: In order to strengthen engagement, the Fund Management Company exercises the voting rights associated with the Fund's investments in line with its conversations with investee companies and based on the voting rights recommendations of Bank J. Safra Sarasin pursuant to point 2.7 of the Prospectus (Voting). The voting rights recommendations may be supported by dialogue between Bank J. Safra Sarasin Ltd

and/or the Asset Manager and investee companies and other measures. In the event that a voting rights representative is appointed, the Fund Management Company has developed specific guidelines in consultation with Bank J. Safra Sarasin Ltd (Sustainable Investment Research – Active Ownership Team), which reflect the general approach to sustainable investment and research methodology, systematically take account of ESG considerations, and guarantee the Fund Manager's independence when exercising voting rights.

- b) Engagement: The Fund enhances its sustainability characteristics by applying its Active Ownership Policy, which involves speaking with selected companies individually on specific ESG issues that have been identified, in order to promote more responsible environmental, social and governance (ESG) practices. This engagement is carried out by Bank J. Safra Sarasin Ltd on behalf of the Fund Management Company and with the involvement of the Asset Manager via targeted and constructive dialogue with selected investee companies. Bank J. Safra Sarasin Ltd defines the company-specific engagement issues and priorities on the basis of the results of ESG analysis in consultation with the Asset Manager. The environmental and social risks and opportunities to which the relevant company is exposed and the level of materiality are considered when setting targets. These risks and opportunities are often closely associated with the industrial sector in which the company operates.

More detailed information concerning our Stewardship Policy can be found at:

Stewardship Policy:

<https://publications.jsafrasarasin.com/publication-public/getlatestpublication?prefix=StewardshipPolicy&lang=en>

Stewardship Report:

<https://publications.jsafrasarasin.com/publication-public/getlatestpublication?prefix=StewardshipReport&lang=en>

ESG due diligence using qualitative and quantitative factors is used to create a sustainability list of investee target funds. The Fund is only permitted to invest in target funds included on the sustainability list.

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

Further information on the Sustainable Investment Policy can be found in Section 1.9.2 of the Prospectus.

3. The Fund Management Company will ensure appropriate liquidity management. The details are disclosed in the Prospectus.

### **§ 9 Liquid assets**

The Fund Management Company may also hold liquid assets in an appropriate amount in the accounting currency of the Investment Fund and in any other currency in which investments are permitted. Cash and cash equivalents comprise sight and time bank deposits with terms of up to twelve months.

## **B Investment techniques and instruments**

### **§ 10 Securities lending**

The Fund Management Company does not engage in securities lending.

### **§ 11 Securities repurchase agreements**

The Fund Management Company does not enter into securities repurchase agreements.

### **§ 12 Derivatives**

1. The Fund Management Company may use derivatives. It ensures that, even in exceptional market conditions, the financial effect of using derivatives does not result in a deviation from the investment objectives set out in this Fund Contract and in the Prospectus and key information document, and that it does not change the investment character of the Fund. Furthermore, the underlyings of the derivatives must be permissible investments according to this Fund Contract.
- In connection with collective investment schemes, derivatives may only be used for the purposes of currency hedging. The hedging of market, interest rate and credit risks in the case of collective investment schemes is unaffected, provided that the risks can be clearly determined and measured.
2. The Commitment I approach is used in measuring risk. Taking account of the cover required under this paragraph, the use of derivatives may not have a leverage effect on the Fund's assets nor correspond to a short sale.
3. Only basic forms of derivatives may be used. These include:
- a) call or put options, the expiration value of which is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price, and is zero if the difference is preceded by the opposite sign (+ or -);
  - b) Credit Default Swaps (CDS);
  - c) swaps, the payments of which are dependent on the value of the underlying or on an absolute amount;
  - d) future and forward transactions, the value of which is linearly dependent on the value of the underlying.

4. The use of derivatives is similar in its commercial effect to either a sale (commitment-reducing positions) or a purchase (commitment-increasing positions) of an underlying asset.
5.
  - a) In the case of commitment-reducing derivatives, the obligations entered into must be covered continually by the underlying assets, with the provisos listed under b) and d).
  - b) Covering with assets other than the underlying assets is permitted for commitment-reducing derivatives that are linked to an index which
    - is calculated by an external, independent entity;
    - is representative of the assets serving as cover;
    - correlates adequately with these assets.
  - c) The Fund Management Company must always have unlimited access to the underlying assets or investments.
  - d) A commitment-reducing derivative can be weighted with the delta in calculating the value of the corresponding underlying assets.
6. In the case of commitment-increasing derivatives, the underlying asset equivalent of a derivative position must always be covered by liquid assets pursuant to Article 34(5) CISO-FINMA. The underlying equivalent is calculated in accordance with Annex 1 CISO-FINMA for futures, options, swaps and forwards.
7. The Fund Management Company must comply with the following rules when offsetting derivative positions:
  - a) Offsetting positions in derivatives of the same underlying as well as offsetting positions in derivatives and in investments of the same underlying may be offset against each other irrespective of the expiry of the derivatives ("netting") if the derivative transaction was concluded for the sole purpose of eliminating the risks associated with the acquired derivatives or investments, the material risks are not neglected in the process and the attributable amount of the derivatives is determined in accordance with Article 35 CISO-FINMA.
  - b) If, in the case of hedging transactions, the derivatives do not relate to the same underlying asset as the asset to be hedged, then in addition to the rules in point (a), the requirements that the derivative transactions must not be based on an investment strategy that serves to generate a profit must be fulfilled for offsetting purposes ("hedging"). In addition, the derivative must lead to a verifiable reduction in risk, the risks of the derivative must be offset, the derivatives, underlyings or assets to be offset must relate to the same class of financial instruments and the hedging strategy must be effective even under exceptional market conditions.
  - c) Derivatives that are used purely to hedge foreign currency risks and do not lead to leverage or involve additional market risks may be offset in the calculation of the total exposure from derivatives without the requirements under point (b).
  - d) Hedging transactions covered by interest rate derivatives are permitted. Convertible bonds may be disregarded when calculating exposure to derivatives.
8. The Fund Management Company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading.
9.
  - a) The Fund Management Company may only conduct OTC transactions with regulated financial intermediaries that specialise in these types of transactions and guarantee that the transaction will be executed properly. If the counterparty is not the Custodian Bank, the former or its guarantor must have a high credit rating.
  - b) It must be possible to reliably and verifiably value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
10. If no market price is available for an OTC-traded derivative, it must be possible to determine the price at any time based on the market value of the underlyings, using appropriate valuation models that are recognised in practice. Before concluding a contract for such a derivative, specific offers must be obtained from at least two counterparties, whereby the contract must be concluded with the counterparty that submits the best offer in terms of price. Deviations from this principle are permissible for reasons of risk diversification or if other contractual components such as the counterparty's creditworthiness or range of services make another offer appear more advantageous overall for the Investors. Furthermore, the solicitation of offers from at least two possible counterparties may be waived as an exception if this is in the best interest of the Investors. The reasons for this as well as the conclusion of the contract and the price determination will be documented in a comprehensible manner. To ensure compliance with statutory and contractual investment restrictions (maximum and minimum limits), derivatives must be taken into account in accordance with the legislation on collective investment schemes.
11. The Prospectus contains further information on:
  - the significance of derivatives as part of the investment strategy;
  - the impact of the use of derivatives on the risk profile of the Investment Fund;
  - the counterparty risks associated with derivatives;
  - credit derivatives;
  - the collateral strategy.

### § 13 Borrowing and lending

1. The Fund Management Company is not permitted to grant loans for the account of the Investment Fund.
2. The Fund Management Company may borrow the equivalent of up to 25% of the Fund's net assets on a temporary basis.

### § 14 Encumbrance of the fund assets

1. No more than 60% of the Fund's net assets may be pledged or ownership thereof transferred as collateral by the Fund Management Company at the expense of the Investment Fund.
2. Encumbrance of the Fund's assets with guarantees is not permitted.  
A commitment-increasing credit derivative is not considered a guarantee within the meaning of this paragraph.

## C Investment restrictions

### § 15 Risk diversification

1. The regulations on risk diversification must include the following:
  - a) Investments pursuant to § 8, with the exception of index-based derivatives, provided that the index is sufficiently diversified, representative of the market to which it relates, and published in an appropriate manner;
  - b) liquid assets pursuant to § 9;
  - c) Claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
3. The Fund Management Company may invest a maximum of 10% of the Fund's assets, including derivatives and structured products, in securities of the same issuer. The total value of the securities of issuers in which more than 5% of the Fund's assets are invested may not exceed 60% of the fund assets. The provisions under points 4 and 5 below remain reserved.
4. The Fund Management Company may invest up to a maximum of 15% of the Fund's assets in sight and time deposits (pursuant to § 9) held with the same bank.
5. The Fund Management Company may invest up to a maximum of 5% of the fund assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 10% of the fund assets.  
If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets in accordance with the relevant provision of the Liquidity Ordinance, such claims are not included in the calculation of counterparty risk.

6. Investments, deposits and claims pursuant to points 3 to 5 above from the same issuer/borrower may not, in total, exceed 20% of the fund assets.
7. Investments pursuant to point 3 above with the same group of companies may not, in total, exceed 20% of the fund assets.
8. The Fund Management Company may not acquire any participation rights that in total represent more than 10% of the voting rights or that allow it to exert significant influence on the management of an issuer. The exceptions granted by the supervisory authority remain unaffected.
9. The Fund Management Company may acquire for the fund assets up to a maximum of 10% of non-voting equity securities, debt instruments and/or money market instruments from the same issuer, as well as up to a maximum of 25% of the units in other collective investment schemes with a similar investment policy. These restrictions do not apply if the gross amount of the debt instruments or the units in other collective investment schemes cannot be calculated at the time of the acquisition.

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

### § 16 Calculation of the net asset value

1. The net asset value of the Investment Fund and the proportions attributable to the individual classes (percentages) are calculated in the accounting currency of the Investment Fund at the market value as at the end of the financial year and for each day on which units are issued or redeemed. The Fund's assets will not be calculated on days when the stock exchanges or markets in the Investment Fund's main investment countries are closed (e.g. bank and stock exchange holidays).
2. Investments traded on a stock exchange or other regulated market open to the public are to be valued at the current prices paid on the primary market. Other investments or investments for which no current price is available are to be valued at the price that would probably have been obtained in a diligent sale at the time of the estimate.  
. In such cases, the Fund Management Company will use appropriate and recognised valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price or net asset value. If they are regularly traded on a stock exchange or other regulated market open to the public, the Fund Management Company may value them in accordance with point 2.
4. Bank deposits are valued at their exposure amount plus accrued interest. In the event of significant changes in market conditions or creditworthiness, the basis of valuation for bank time deposits will be adjusted to reflect the new circumstances.



5. The net asset value of a unit in a unit class is obtained from the proportion of the market value of the Fund's assets attributable to the relevant unit class, less any liabilities of the Investment Fund allocated to the relevant unit class, divided by the number of units of the relevant class in circulation. It will be rounded to two decimal points of the accounting currency for that unit class.
6. The percentages of the market value of the Fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the Fund for each unit class. The percentage is recalculated when one of the following events occurs:
  - a) when units are issued or redeemed;
  - b) on the reporting date of distributions if (i) such distributions only apply to individual unit classes (distribution classes), or (ii) the distributions of the various unit classes differ as a percentage of their respective net asset value, or (iii) different commission/cost charges are incurred on the distributions of the various unit classes as a percentage of the distribution;
  - c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various unit classes, provided that the liabilities of the various unit classes differ as percentages of their individual net asset values, especially if (i) different commission rates are applied to the various unit classes or if (ii) class-specific costs are charged;
  - d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains originate from transactions made solely in the interests of one unit class or in the interests of several unit classes, but not in proportion to their share of the net fund assets.
3. The Fund Management Company may suspend the issue of units at any time, and may reject applications for the subscription or conversion of units.
4. The Fund Management Company may, in the interests of all Investors, temporarily suspend the redemption of units in exceptional cases if:
  - a) a market that forms the basis for the valuation of a significant portion of the Fund's assets is closed or if trading on such a market is restricted or suspended;
  - e) there is a political, economic, military, monetary or other emergency;
  - f) transactions become impracticable for the Investment Fund due to restrictions on foreign exchange transactions or restrictions on other transfers of assets;
  - g) a large number of units are cancelled and the interests of the other Investors could be significantly impacted as a result.
5. The Fund Management Company shall immediately notify the audit firm, the supervisory authority and, in an appropriate manner, the Investors of any decision to suspend the redemption of units.
6. No units will be issued for as long as the redemption of units is suspended for any of the reasons stated in points 4(a) to (c).
7. In the event of a subscription, Investors can apply to make an investment as a contribution in kind, rather than a cash payment, or in the event of a redemption to have the investments transferred to them as a redemption in kind, rather than receiving a cash payment. The application must be submitted alongside the subscription/cancellation. The Fund Management Company is not bound to permit contributions or redemptions in kind.

average incidental costs arising for the Investment Fund as a result of the sale of a redeemed portion of the investments are deducted from the net asset value. The applicable rate is set out in the Prospectus. In addition, in the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18. In the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.

The Fund Management Company may suspend the issue of units at any time, and may reject applications for the subscription or conversion of units.

The Fund Management Company may, in the interests of all Investors, temporarily suspend the redemption of units in exceptional cases if:

- a) a market that forms the basis for the valuation of a significant portion of the Fund's assets is closed or if trading on such a market is restricted or suspended;
- e) there is a political, economic, military, monetary or other emergency;
- f) transactions become impracticable for the Investment Fund due to restrictions on foreign exchange transactions or restrictions on other transfers of assets;
- g) a large number of units are cancelled and the interests of the other Investors could be significantly impacted as a result.

The Fund Management Company shall immediately notify the audit firm, the supervisory authority and, in an appropriate manner, the Investors of any decision to suspend the redemption of units.

No units will be issued for as long as the redemption of units is suspended for any of the reasons stated in points 4(a) to (c).

In the event of a subscription, Investors can apply to make an investment as a contribution in kind, rather than a cash payment, or in the event of a redemption to have the investments transferred to them as a redemption in kind, rather than receiving a cash payment. The application must be submitted alongside the subscription/cancellation. The Fund Management Company is not bound to permit contributions or redemptions in kind.

The Fund Management Company alone decides on contributions or disbursements in kind and only approves such transactions if the execution of the transactions is fully in line with the investment policy of the Fund and the interests of the other Investors are not adversely affected.

Costs incurred in connection with a contribution or redemption in kind may not be charged to the Fund's assets. The Fund Management Company draws up a report listing the individual transfers in and out of securities, showing details of their price on the date of transfer, the number of units exchanged in return and any settlement of fractions made in cash. For each contribution or redemption in kind, the Custodian Bank verifies that the Fund Management Company has observed its duty of loyalty and checks

### § 17 Issue and redemption of units

1. Subscription or redemption orders for units will be accepted on the order day up to a certain cut-off time specified in the Prospectus. The definitive price of the units for the issues and redemptions is determined at the earliest on the bank working day following the day the order is placed (valuation day). This is referred to as "forward pricing". The details are laid out in the Prospectus.
2. The issue and redemption price of the units is based on the net asset value per unit calculated on the valuation date pursuant to § 16 on the basis of the previous day's closing prices. In the case of unit issues, incidental costs (namely standard brokerage fees, commissions, taxes and duties) arising on average for the Investment Fund as a result of the investment of the paid-in sum are added to the net asset value. In the case of unit redemptions, the

the valuation, on the basis of the relevant reporting date, of the transferred securities and the units issued or redeemed. The Custodian Bank shall immediately notify the audit firm of any reservations or objections.

Contributions and redemptions in kind are to be disclosed in the annual report.

8. In exceptional circumstances, such as extremely volatile or illiquid financial markets, the Fund Management Company reserves the right, in the interests of the Investment Fund's remaining Investors, to reduce all redemption orders (gating) on days where the total net amount of redemptions exceeds 10% of the Fund's assets. In circumstances such as these, the Fund Management Company may, at its own discretion, decide to reduce all redemption orders proportionally and in the same ratio. The remaining portion of the redemption orders shall be deemed to have been received on the next valuation day and will be processed under the conditions applicable on that day – meaning deferred redemption orders do not receive preferential treatment.
9. The Fund Management Company shall immediately notify the audit firm, the supervisory authority and, in an appropriate manner, the Investors of any decision to apply or lift the gating mechanism.
10. In exceptional cases, after considering other available measures and in the interests of all Investors, the Fund Management Company may, upon reasonable request and with the approval of FINMA, segregate individual investments of the Investment Fund from the remaining fund assets (side pockets). Side pockets are a way of separating assets that have become illiquid and were part of the investment fund or sub-fund's assets. Individual assets may, for example, become difficult/impossible to value or – e.g. in the event of sanctions – untradeable as a result of an unexpected event influenced by external factors, whereby it is to be expected that this valuation uncertainty or untradeability will be of indefinite duration.
11. In particular, side pockets can be created by launching a new sub-fund or a new unit class at a future date; the Fund Management Company will make its decision in this regard after it has weighed up the interests of all Investors as well as the expected costs. Side pocket units are issued exclusively to Investors who were invested in the existing launched classes of the investment fund/sub-fund on the date the side pocket was established/formed. Investors shall remain entitled to the side pocket in the same ratio at which they held units in the net fund assets of the investment fund/sub-fund at the time of segregation.
12. The side pocket will remain closed after its launch and its units may not be subscribed. In the event of trading restrictions (e.g. in the event of sanctions) on the segregated investments, trading in side pocket units shall remain excluded.
13. The Fund Management Company may, at any time and at its own discretion, while safeguarding the interests of the Investors in the side pocket, decide to completely liquidate or dissolve the side pocket, regardless of whether or not the assets of the side pocket are currently recoverable/tradeable. In doing so, the Fund Management Company shall take particular account of the tradeability and predictability of trading opportunities for the investments in the side pocket as well as the possibility of the sub-fund being liquidated. The purpose of establishing/forming a side pocket is always to sell the investments and liquidate the sub-fund or dissolve the unit class serving as the side pocket.
14. Investors in the side pocket will receive any proceeds as soon as the reasons for the illiquidity of the assets of the side pocket no longer apply and these assets can be sold, provided that proceeds can be realised on the sale of the assets of the side pocket, taking into account any fees and incidental costs to be deducted. There is no guarantee for Investors that the sale of the assets of the side pocket will generate net proceeds.
15. Once the side pocket has been formed, the investment policy and risk diversification rules of the investment fund/sub-fund will not apply to this unit class, as side pockets only contain illiquid investments. When establishing the side pocket as a sub-fund, it must be specified in the investment policy that the side pocket exclusively contains illiquid investments, which will be sold if possible, and that no separate risk diversification rules or investment guidelines will therefore be formulated.
16. The net asset value of side pocket units is always calculated in accordance with § 16 of the Fund Contract. As long as the assets in the side pocket cannot be valued or are not recoverable, the Fund Management Company shall recognise the necessary impairment losses as part of its fair value measurement. If the assets concerned are deemed to not be recoverable and the Fund Management Company therefore values them at zero ("0"), it may not charge any asset-based fees in relation to the fund assets concerned. As soon as the assets can be valued/traded again by the asset manager, the Fund Management Company will carry out the valuation in accordance with the Fund Contract and calculate a NAV. The provisions of Art. 106 para. 2 and 3 CISO-FINMA on the minimum frequency of the publication of prices must always be observed.
17. No fees or incidental costs are charged to Investors upon the issuing of side pocket units. The Fund Management Company is entitled to the reimbursement of all fees and incidental costs charged to the fund assets concerned in accordance with § 19 of the Fund Contract as well as additional costs in accordance with Art. 37 CISO that were incurred in connection with the establishment/formation and maintenance of the side pocket. Following the establishment/formation of the side pocket, the Fund Management Company shall disclose the actual costs incurred in connection with side pockets within the scope of Art. 37

CISO in its annual report. In the event that the investments in the side pocket can be valued, the corresponding fees and incidental costs shall be charged to the side pocket as part of the calculation of the NAV.

18. Following approval by FINMA, the Fund Management Company shall immediately notify Investors of the decision to segregate these investments, as well as the reasons for doing so, in the medium of publication, and shall provide information on, in particular, the procedure, time of establishment/formation, rights and risks for Investors, valuation of the investments and any cost implications. In doing so, the Fund Management Company shall ensure that Investors who are not invested in the side pocket are not charged any costs incurred during and after the launch of the side pocket.
19. The Fund Management Company shall list the segregated investments in its annual report and, in particular, provide information on their performance. The Fund Management Company shall regularly review whether the reasons for segregating the investments still apply and, if necessary, take appropriate action in the interests of the Investors concerned.

## V. Fees and incidental costs

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

1. On the issue of fund units, the Investors may be charged an issuing commission accruing to the Fund Management Company, the Custodian Bank and/or distributors in Switzerland and abroad which, in total, may not exceed 3% of the net asset value plus the incidental costs. The currently applicable maximum rate is stated in the Prospectus.
2. Upon issuing and redeeming units, the Fund Management Company also charges to the Fund's assets the average incidental costs arising for the Fund as a result of the investment of the paid-in sum or costs from the sale of redeemed units (see § 17 point 2). The applicable rate is set out in the Prospectus.
3. For payments in connection with the dissolution of the Investment Fund, the Custodian Bank will charge the Investors a commission of max. 0.5% on the net asset value of the units.

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

1. For the administration, asset management and distribution activities in relation to the Fund and all tasks of the Custodian Bank, such as the safekeeping of the Fund's assets, the handling of payment transactions and the other tasks mentioned in § 4, the Fund Management Company will charge the Investment Fund an annual all-in fee of
  - not more than 1.95% (unit class P CHF dist)
  - not more than 1.40% (unit class I CHF dist)
  - 0.00% p.a. (unit classes M CHF dist and M CHF acc); will be levied separately according to § 6 paragraph 4.
  - not more than 1.50% (unit class C CHF dist)

of the Fund's net assets, to be charged to the Fund's assets on a pro rata basis every time the net asset value is calculated, and paid out at the end of each quarter (all-in management fee, incl. distribution commission).

The rate of the management fee actually charged is stated in the annual and semi-annual reports.

2. For the distribution of annual income to the Investors, the Custodian Bank will charge the Investment Fund a commission of max. 0.5% of the gross amount of the distribution. The rate actually charged is set out in the annual report.
3. The following remuneration and incidental costs of the Fund Management Company and the Custodian Bank, which are additionally charged to the fund assets, are not included in the all-in management fee:
  - a) Costs for the purchase and sale of investments (including hedging transactions), namely standard brokerage fees, commissions, clearing and settlement costs, bank charges, taxes and duties, as well as costs for the review and maintenance of quality standards for physical investments;
  - b) The supervisory authority's fees in relation to the establishment, amendment, liquidation or merger of the Fund;
  - c) The supervisory authority's annual fee;
  - d) The audit firm's fees for auditing as well as certification in the case of establishment, amendments, liquidation, merger or amalgamation of the Fund;
  - e) Fees for legal and tax advisors in connection with the establishment, amendment, dissolution or merger of the Fund, as well as generally upholding the interests of the Fund and its Investors;
  - f) The cost of publishing the net asset value of the Fund, together with all the costs of providing notices to Investors, including translation costs, provided such costs cannot be ascribed to any failure on the part of the Fund Management Company;
  - g) The cost of printing and translating legal documents, as well as the Fund's annual and semi-annual reports;
  - h) The costs incurred by registering the Investment Fund with a foreign supervisory authority, namely commissions charged by the foreign supervisory authority, translation costs and remuneration of the representative or paying agent abroad;
  - i) Costs associated with the exercise of voting rights or creditor rights by the Investment Fund, including fees for external advisors;
  - j) Costs and fees relating to intellectual property registered in the name of the Fund or with rights of use for the Fund;
  - k) all costs incurred though any extraordinary steps taken to safeguard the interests of Investors by the Fund Management Company, asset manager of collective investment schemes, or Custodian Bank;

- l) Costs of registration or renewal of the Legal Entity Identifier with domestic or foreign registration agents;
  - m) Fees and expenses for the purchase and use of data and data licences, provided they can be attributed to the Fund and do not constitute research costs;
  - n) Fees and expenses for the use and review of the use of independent labels.
4. The costs according to point 3(a) are directly added to the acquisition value or deducted from the saleable value.
  5. In accordance with the provisions in the Prospectus, the Fund Management Company and its agents may pay retrocessions to cover the distribution of fund units and rebates to reduce the fees and costs charged to the Fund that are attributable to the Investor.
  6. The management fee of the target funds invested in must not exceed 0.25%, taking into account any retrocessions and rebates. The annual report must specify the management fee of the target funds invested in, taking into account any retrocessions and rebates.  
If the Fund Management Company acquires units in other collective investment schemes managed directly or indirectly by the Fund Management Company itself or by a company to which the Fund Management Company is related by virtue of common management or control, or by a significant direct or indirect interest, it may not charge any issuing or redemption commissions relating to affiliated target funds to the Investment Fund.

## VI. Financial statements and audit

### § 20 Financial statements

1. The Fund's accounting currency is the Swiss franc (CHF).
2. The financial year runs from 1 September to 31 August.
3. Within four months from the end of the financial year, the Fund Management Company shall publish an audited annual report for the Investment Fund.
4. Within two months from the end of the first half of the financial year, the Fund Management Company shall publish a semi-annual report.
5. The Investor's right to information pursuant to § 5 section 4 remains reserved.

### § 21 Verification

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

## VII. Appropriation of net income

### § 22

1. The net income of the Investment Fund is distributed annually per distributing unit class to the Investors in the

Fund's accounting currency within four months at the latest of the close of the financial year.

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

Up to 30% of the net income of a unit class may be carried forward to the new account.

A distribution may be waived and the entire net income may be carried forward to the new account if

- the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than 1% of the net asset value of the accounting currency of the collective investment scheme or unit class and
- the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than CHF 1.00 per unit of the collective investment scheme or unit class.

The net income of the Investment Fund will be added to the fund assets for reinvestment annually for the accumulating unit classes within four months at the latest of the close of the financial year. The Fund Management Company may also decide to retain income on an interim basis. Any taxes and duties levied on the reinvestment are unaffected.

2. Capital gains realised on the sale of assets and rights may be distributed by the Fund Management Company or retained for the purpose of reinvestment.

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

### § 23

1. The Investment Fund's medium of publication is the print/electronic medium specified in the Prospectus. Any change regarding the medium of publication must be announced in the medium of publication.
2. The following information must, in particular, be published in the medium of publication: summaries of material amendments to the Fund Contract, indicating the offices from which the amended wording may be obtained free of charge; any change of Fund Management Company and/or the Custodian Bank; the creation, dissolution or merger of unit classes; and the liquidation of the Investment Fund. Changes that are required by law and which do not affect the rights of Investors or which are exclusively of a formal nature may be exempted from mandatory publication with the consent of the supervisory authority.
3. Each time units are issued or redeemed, the Fund Management Company will publish the issue and the redemption prices or the net asset value together with a note stating "excluding commissions" for all unit classes in the Swiss daily newspaper(s) cited in the Prospectus and/or the electronic platform(s) cited in the Prospectus and rec-

ognised by the supervisory authority. The prices are published at least twice a month. The weeks and days of the week on which publications take place are specified in the Prospectus.

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

## IX. Restructuring and dissolution

### § 24 Mergers

1. With the consent of the Custodian Bank, the Fund Management Company may merge Investment Funds by transferring the assets and liabilities of the Investment Fund(s) being acquired to the acquiring Investment Fund at the time of the merger. Investors in the Investment Fund being acquired receive an equivalent amount of units in the acquiring Investment Fund. At the time of the merger, the Investment Fund being acquired shall be dissolved without liquidation, and the Fund Contract of the acquiring Investment Fund shall also apply to the Investment Fund being acquired.
2. Investment Funds may only be merged if:
  - a) the respective Fund Contracts provide for this;
  - a) they are managed by the same Fund Management Company;
  - b) the respective Fund Contracts accord with one another in terms of the following provisions:
    - the investment policy, investment techniques, risk diversification, and the risks associated with the investment,
    - the appropriation of net income and capital gains from the sale of assets and rights,
    - the type, amount and calculation of all fees, issue and redemption commissions, and the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the fund assets or to the Investors,
    - the duration of the contract and the conditions of dissolution;
  - c) the assets of the funds concerned are valued, the exchange ratio is calculated, and the assets and liabilities are acquired on the same day;
  - d) no costs arise as a result for either the Investment Fund or the Investors.

The provisions of § 19 3(b), (d) and (e) are unaffected.
3. If the merger is expected to take more than one day, the supervisory authority may authorise a temporary suspension on the redemption of the units of the Investment Funds involved.
4. At least one month before the planned publication, the Fund Management Company shall submit the intended

amendments to the Fund Contract and the intended merger, together with the merger plan, to the supervisory authority for review. The merger schedule must contain information on the reasons for the merger, the investment policies of the funds involved and any differences between the acquiring fund and the fund(s) being acquired, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the funds, as well as a statement from the audit firm responsible in accordance with the legislation on collective investment schemes.

5. The Fund Management Company must publish a notice of the proposed changes to the Fund Contract pursuant to § 23 point 2 and the proposed merger and its timing, as well as the merger schedule, at least two months before the planned date of merger in the medium or media of publication of the Investment Funds involved. In this notice, the Fund Management Company must inform the Investors that they may lodge objections to the proposed changes to the Fund Contract with the supervisory authority within 30 days of the last publication, or request redemption of their units in cash or as a disbursement in kind pursuant to § 17 point 7.
6. The audit firm shall immediately verify that the merger has been properly executed and shall comment on this in a report for the attention of both the Fund Management Company and the supervisory authority.
7. The Fund Management Company must inform the supervisory authority of the conclusion of the merger, and publish notification of the completion of the merger, confirmation from the audit firm of the proper execution of the merger, and the exchange ratio, without delay in the medium or media of publication of the Investment Funds involved. The Fund Management Company shall mention the merger in the next annual report of the acquiring Investment Fund and in any semi-annual report to be prepared beforehand. An audited final report must be prepared for the Investment Fund being acquired if the merger does not fall within the scope of the ordinary annual financial statements.

### § 25 Conversion to a different legal form

1. With the consent of the Custodian Bank, the Fund Management Company may convert Investment Funds into sub-funds of a SICAV under Swiss law, whereby the assets and liabilities of the converted Investment Fund(s) are transferred to the investor sub-fund of a SICAV at the time of conversion. The investors of the converted Investment Fund receive units of an equivalent value in the investor sub-fund of the SICAV. On the day of conversion, the converted Investment Fund is terminated without liquidation; the Investment Regulations of the SICAV apply to the investors of the converted Investment Fund, who become investors of the investor sub-fund of the SICAV.
2. The Investment Fund may only be converted into a sub-fund of a SICAV if:

- a) this is provided for in the Fund Contract and is expressly stated in the Investment Regulations of the SICAV;
  - b) The Investment Fund and the sub-fund are managed by the same fund management company;
  - c) The Fund Contract and the Investment Regulations of the SICAV accord with one another in terms of the following provisions:
    - investment policy (including liquidity), investment techniques (securities lending, repo and reverse repo transactions, financial derivatives), borrowing and lending, pledging of assets of the collective investment, risk distribution and investment risks, nature of the collective investment scheme, investor eligibility, unit/share classes and calculation of the net asset value,
    - appropriation of net income and capital gains from the sale of assets and rights,
    - appropriation of results and reporting,
    - type, amount and calculation of all fees, issue and redemption commissions, and the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the fund assets or to the SICAV, the Investors or the Shareholders, subject to incidental costs of the SICAV specific to its legal form
    - issue and redemption conditions,
    - duration of the contract or the SICAV,
    - medium of publication.
  - d) The valuation of the assets of the collective investment schemes involved, calculation of the exchange ratio and transfer of assets and liabilities take place on the same day;
  - e) No costs arise for the Investment Fund or the SICAV, or for the Investors or the Shareholders.
3. FINMA may approve the suspension of redemptions for a specific period if it is anticipated that the conversion will take more than a day.
  4. The Fund Management Company must submit the proposed changes to the Fund Contract, and the proposed merger, as well as the merger schedule to FINMA for review. The merger schedule must contain information on the reasons for the merger, the investment policies of the collective investment schemes involved and any differences between the converted Investment Fund and the sub-fund of the SICAV, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the collective investment schemes, as well as a statement from the Investment Fund's audit firm.
  5. The Fund Management Company publishes any changes to the Fund Contract pursuant to § 23 paragraph 2 and the proposed merger and its timing, as well as the merger schedule, at least two months before the planned date of merger in the medium of publication of the converted Investment Fund. In this notice, the Fund Management

Company must inform the Investors that they may lodge objections to the proposed changes to the Fund Contract with the supervisory authority within 30 days of the publication/notice, or request redemption of their units.

6. The auditors of the Investment Fund and the SICAV (if different) will immediately verify that the conversion has been properly executed and furnishes the Fund Management Company, the SICAV and FINMA with a report.
7. The Fund Management Company must inform FINMA of the conclusion of the merger and forward to FINMA confirmation from the audit firm of the proper execution of the transaction and the conversion report without delay in the medium of publication of the Investment Funds involved,
8. The Fund Management Company or the SICAV must make reference to the conversion in the next annual report of the Investment Fund or the SICAV and in the semi-annual report if published prior to the annual report.

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

1. The Fund is established for an indefinite period.
2. The Fund Management Company or the Custodian Bank may initiate the dissolution of the Investment Fund by terminating the Fund Contract without notice.
3. The Investment Fund may be dissolved by order of the supervisory authority, in particular, if it does not have net assets of at least 5 million Swiss francs (or the equivalent).
4. The Fund Management Company shall notify the supervisory authority of the dissolution without delay and publish it in the medium of publication.
5. Upon termination of the Fund Contract, the Fund Management Company may immediately liquidate the Investment Fund. If the supervisory authority has ordered the dissolution of the Investment Fund, it must be liquidated without delay. The Custodian Bank is responsible for distributing the liquidation proceeds to Investors. If the liquidation process is protracted, the proceeds may be paid out in instalments. The Fund Management Company must obtain approval from the supervisory authority before initiating the final payment.

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

##### **§ 27**

If any amendments are to be made to this Fund Contract, or if the merger of unit classes or a change of Fund Management Company or of Custodian Bank is planned, the Investors may lodge objections with the supervisory authority within 30 days after the corresponding last publication. As part of the publication, the Fund Management Company lets Investors know which changes to the Fund Contract are subject to FINMA's review and assessment of legal conformity. In the event of a change to the Fund Contract (including the merger of unit classes) the Investors may also demand the redemption of their units in cash subject to the contractual period of notice. This

does not apply to cases pursuant to § 23 point 2, which are exempted from mandatory publication with the consent of the supervisory authority.

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

### **§ 28**

1. The Investment Fund is subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November 2006 and the Ordinance of the Swiss Financial Market Supervisory Authority FINMA on Collective Investment Schemes of 27 August 2014. The place of jurisdiction is the registered office of the Fund Management Company.
2. The German version is binding in all matters of interpretation relating to this Fund Contract.

3. This Fund Contract takes effect on 17 October 2025.
4. The present Fund Contract replaces the Fund Contract dated 15 May 2024.
5. When approving the Fund Contract, FINMA verifies only the provisions pursuant to Article 35a paragraph 1 letters a) – g) CISO and ensures their compliance with the law.

The Fund Management Company:

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

The Custodian Bank:

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

