

**JSS Investmentfonds II  
SICAV**

**Prospectus**

A Luxembourg umbrella fund  
March 2021

Subscriptions are only valid if made on the basis of this prospectus, the key investor information documents (the “KIIDs”), the latest annual report and the semi-annual report, if published thereafter. These reports are an integral part of this prospectus and with it form the basis for all subscriptions of the fund’s shares. The above-mentioned documents are available free of charge from all sales offices. The KIIDs are also available at [www.jsafrasarasin.ch/funds](http://www.jsafrasarasin.ch/funds).

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

The relevant conditions in each country apply to the issue and redemption of shares of JSS Investmentfonds II.

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## **A. GENERAL PART**

### **1. INTRODUCTION**

JSS Investmentfonds II (the “Company” or the “Fund”) is organised as an open-ended investment company (*société d’investissement à capital variable* - SICAV) under the law of 10 August 1915 of the Grand Duchy of Luxembourg, as amended (the “1915 Law”) and is subject to part I of the law of 17 December 2010, as amended (the “2010 Law”) as an undertaking for collective investment in transferable securities (UCITS). The Company has appointed J. Safra Sarasin Fund Management (Luxembourg) S.A., which is licensed to act as a management company pursuant to chapter 15 of the 2010 Law, as its management company.

The Company may issue investment shares of no par value (the “Shares”) of different portfolios of assets (the “Sub-Funds”). The Company may at any time issue Shares of additional Sub-Funds. In such case, the prospectus will be supplemented accordingly.

Shares of the Sub-Funds are available in registered form and may be issued, redeemed or converted into Shares of another Sub-Fund of the Company on any valuation day. Bearer shares are not issued.

Shares are offered at a price expressed in the accounting currency of the relevant Sub-Fund. If subscription monies are transferred in currencies other than the respective accounting currency, the investor bears both the corresponding costs and the exchange rate risk linked to the currency conversion carried out by the paying agent or depositary. An issue commission may be charged. Shares of the following Sub-Funds are currently issued:

The consolidated accounting currency of the Company is the euro. The calculation of the net asset value of all Sub-Funds is described in the annexes to this prospectus.

The “Accounting Currency” is the currency in which the accounts of the Sub-Fund are kept. It does not have to be the same as the “Reference Currency” of a Sub-Fund. The Reference Currency is the basic currency in which investment performance is measured. It generally appears in brackets after the name of the Sub-Fund. Reference currencies are usually applied to strategy funds (portfolio funds), but not equity funds. The term “Investment Currencies” designates the currencies in which the investments of a Sub-Fund are made. Investment Currencies do not have to be the same as the Accounting Currency or Reference Currency. Generally, however, a substantial proportion of investments is made in the Reference Currency or is hedged against it. In this context, “Valuation Day” is defined as normal bank business days (i.e. each day on which banks are open during normal business hours) in Luxembourg and any other location if and as specified in the annexes to the prospectus for the individual Sub-Funds with the exception of individual, non-statutory holidays in Luxembourg and any other location if and as specified in the annexes to the prospectus for the individual Sub-Funds, as well as days on which the exchanges of the Sub-Fund’s main countries of investment are closed or on which 50% or more of the Sub-Fund’s investments cannot be adequately valued. “Non-statutory holidays” are days on which banks and financial institutions are closed.

The Company may, pursuant to the 2010 Law, issue one or more special prospectuses for the sale of Shares of one or more Sub-Funds.

The Shares are offered on the basis of the information contained in this prospectus, in the KIIDs and the latest audited and published annual report and semi-annual report, if published later than the annual report. Information provided by any other person is inadmissible.

Prospective purchasers of Shares should inform themselves of the legal requirements and any applicable foreign exchange regulations and taxes in the countries of their respective citizenship or residence, and should consult a person who can provide detailed information about the Fund in relation to any questions they may have about the contents of the prospectus.

The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). They may not be offered or sold in the USA, its territories and all areas subject to its US jurisdiction, nor to US persons or persons who would purchase the Shares for the account or benefit of US persons. Any resale or re-

offer of Shares in the USA or to US persons may constitute a violation of the laws of the United States of America. Shares of the Company cannot be subscribed by US persons.

The Company may at any time proceed with the compulsory redemption of the Shares of an investor if these Shares are held by / for the account of / or in the name of:

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

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general meetings if the investor is registered himself and in his own name in the register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

References in this prospectus to "Swiss francs" or "CHF" relate to the currency of Switzerland; "US dollars" or "USD" relate to the currency of the United States of America; "euro" or "EUR" relate to the currency of the European Economic & Monetary Union; "pounds sterling" or "GBP" relate to the currency of the United Kingdom; "Singapore dollars" or "SGD" relate to the currency of Singapore; "Hong Kong dollars" or "HKD" relate to the currency of Hong Kong.

Before investing in the Sub-Funds of the Company investors are advised to read and take into consideration section 3.2 "Risk Profile and Risks".

## **2. ORGANISATION AND MANAGEMENT**

### **2.1 REGISTERED OFFICE OF THE COMPANY**

The Company has its registered office at 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg.

### **2.2 BOARD OF DIRECTORS**

**The board of directors of the Company (the "Board of Directors") is composed as follows:**

- Urs Oberer (chairman), Basel, Switzerland, Managing Director, Bank J. Safra Sarasin AG
- Jules Moor, Luxembourg, Grand Duchy of Luxembourg, Managing Director (CEO Luxembourg), Banque J. Safra Sarasin (Luxembourg) S.A.
- Ronnie Neefs, Luxembourg, Grand Duchy of Luxembourg, Executive Director, J. Safra Sarasin Fund Management (Luxembourg) S.A.
- Claude Niedner, Luxembourg, Grand Duchy of Luxembourg, Partner at Arendt & Medernach S.A.

### **2.3 MANAGEMENT COMPANY**

On 20 May 2015, the Company appointed J. Safra Sarasin Fund Management (Luxembourg) S.A. (the "Management Company") as its management company under a management company service agreement entered into by the Company and the Management Company (the "Management Company Services Agreement").

The Management Company has its registered office at 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies Register under number B 160.811. The Management Company was formed on 2

May 2011 as a *société anonyme* (public limited company) in accordance with the laws of the Grand Duchy of Luxembourg. The articles of incorporation of the Management Company were published for the first time on 19 May 2011 in the *Mémorial C, Recueil des Sociétés et Associations* (the “Mémorial”) and amended for the last time on 26 May 2014. The amendment was published in the Mémorial on 14 August 2014.

The Management Company is licensed to operate pursuant to chapter 15 of the 2010 Law. The issued and fully paid-up equity capital of the Management Company amounted to one million five hundred thousand euro (EUR 1,500,000).

The Management Company Services Agreement has been concluded for an indeterminate period. It may be terminated subject to six months’ prior notice. If the agreement is terminated without being replaced by a new agreement with another Sarasin Group management company, the Company shall be obliged, if requested, to change its corporate name and those of the Sub-Funds in such a way that these names no longer contain the word “Sarasin” and/or the letters “JSS” or “Sar”.

**The members of the Board of Directors of the Management Company are as follows:**

- Jules Moor (chairman), Luxembourg, Grand Duchy of Luxembourg, Managing Director, Banque J. Safra Sarasin (Luxembourg) S.A.
- Hans-Peter Grossmann, Basel, Switzerland, Managing Director, J. Safra Sarasin Investmentfonds AG
- Oliver Cartade, London, United Kingdom, Head of Asset Management, Bank J. Safra Sarasin AG, Basel Leonardo Mattos, Luxembourg, Grand Duchy of Luxembourg, Managing Director, J. Safra Sarasin Fund Management (Luxembourg) S.A.
- Jan Stig Rasmussen, Luxembourg, Grand Duchy of Luxembourg, independent director

**The executive directors of the Management Company are as follows:**

- Leonardo Mattos, Luxembourg, Grand Duchy of Luxembourg
- Valter Rinaldi, Basel, Switzerland
- Ronnie Neefs, Luxembourg, Grand Duchy of Luxembourg

The Management Company has in place a remuneration policy in line with the Directive 2009/65/EC.

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

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

- i. it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles of the Sub-Funds;
- ii. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Sub-Funds in order to ensure that the assessment process is based on the longer-term performance of the Sub-Funds and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- iii. it is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of the shareholders, and includes measures to avoid conflicts of interest;

- iv. fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

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

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

The Management Company has adopted written plans setting out actions, which it will take with respect to the relevant Sub-Fund in the event that any of the benchmarks listed in the table in the Schedule I materially changes or ceases to be provided (the “Contingency Plans”), as required by article 28(2) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the “Benchmarks Regulation”). Shareholders may access the Contingency Plans free of charge upon request at the registered office of the Management Company.

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

The list of benchmarks with respect to the relevant Sub-Funds including the relevant Benchmark Administrator can be found in the Schedule I to this prospectus.

#### **2.4 INVESTMENT MANAGER AND INVESTMENT ADVISERS /ADVISORY BOARD**

The Management Company can, with the agreement of the Company and under its own responsibility and control, appoint one or more investment managers approved by the supervisory authorities for each Sub-Fund. The following investment managers may be appointed:

##### **Bank J. Safra Sarasin AG**

Bank J. Safra Sarasin AG, Elisabethenstrasse 62, CH-4051 Basel, Switzerland, is a Swiss private bank and is subject to supervision by the Swiss Financial Market Supervisory Authority FINMA. Its main activities combine investment advisory services and asset management for private and institutional clients as well as the investment fund business. Investment foundations, corporate finance, brokerage and financial analysis complete the service range.

##### **Bank J. Safra Sarasin Ltd., Singapore Branch**

Bank J. Safra Sarasin Ltd, Singapore Branch has its registered office at 8 Marina View, Asia Square Tower 1, Singapore 018960. Bank J. Safra Sarasin Ltd, Singapore Branch is an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110), has an offshore bank licensed under the Singapore Banking Act (Cap. 19) and is regulated by the Monetary Authority of Singapore. Bank J. Safra Sarasin Ltd, Singapore Branch has also obtained an exemption under Section 100(2) of the Financial Advisers Act, Chapter 110 of

Singapore, in respect of the provision of financial advisory services to its clients who are “high net worth individuals”.

#### **Fisch Asset Management AG**

Fisch Asset Management AG was established on 11 July 1994 and is located at Bellerivestrasse 241, 8034 Zurich. It is registered in Switzerland as a securities dealer and is thus regulated by the Swiss Financial Market Supervisory Authority FINMA. Fisch Asset Management AG has extensive expertise in asset management, with particular emphasis on convertible bonds.

#### **The Putnam Advisory Company, LLC**

The Putnam Advisory Company, LLC (“Putnam”) is a subsidiary of Putnam Investments, LLC, one of the U.S.'s oldest money management firms, with over 75 years' experience investing. Putnam is registered as an investment adviser with the Securities and Exchange Commission (SEC) and has its offices at One Post Office Square, Boston MA 02109, United States. Putnam provides investment services across a range of equity, fixed income, absolute return and alternative strategies.

#### **UTI International Singapore Private Limited**

UTI International Singapore Private Ltd (“UTI IS”) is the flagship company representing the offshore interests of UTI Asset Management Company (UTI AMC) and is regulated and licensed by the Monetary Authority of Singapore. UTI IS has coverage over all clients in South East Asia, Japan and Australia and it manages clients in the Middle East through its' representative office in Dubai. UTI AMC is one of India's largest Money Managers. UTI AMC has another subsidiary “UTI International Ltd, Guernsey (UTI IL)” which is a regulated entity in Guernsey, governed by Guernsey law. It also operates through its branch office in London, and is responsible for client coverage in Europe. The London office is regulated by the Financial Conduct Authority, UK.

The companies mentioned above may also be appointed as sub-investment managers for the portfolio management of a Sub-Fund.

Information about the individual Sub-Funds managed by the individual investment manager or sub-investment manager is provided in the annex to the relevant Sub-Fund.

#### **Investment advisers/advisory board**

In addition, the Management Company can, with the agreement of the Company and under its own responsibility and control, appoint one or more investment advisers or advisory board(s) with no decision-making powers for each Sub-Fund.

The duties relative to the individual Sub-Funds may be exchanged between the investment managers and advisers/advisory boards at any time; however, an investment manager may only be replaced by another investment manager. An investment adviser/advisory board can be replaced by another investment adviser/advisory board or another investment manager. An up-to-date list of investment managers or sub-investment advisers for the individual Sub-Funds is available from the Company. The investment managers and advisers of the individual Sub-Funds are also listed in the annual and semi-annual reports of the Company.

## **2.5 DEPOSITARY AND PAYING AGENT**

### **Depositary's functions**

The Company has appointed RBC Investor Services Bank S.A. (“RBC”), having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary bank and principal paying agent (the “Depositary”) of the Company with responsibility for the

- (a) safekeeping of the assets,
- (b) oversight duties,
- (c) cash flow monitoring, and
- (d) principal paying agent functions

in accordance with the 2010 Law, and the Depositary Bank and Principal Paying Agent Agreement dated 13 October 2016 and entered into between the Company and RBC (the "Depositary Bank and Principal Paying Agent Agreement").

RBC Investor Services Bank S.A. is registered with the Luxembourg Trade and Companies Register under number B 47.192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2019 amounted to approximately EUR 1,226,823,732.-.

The Depositary has been authorized by the Company to delegate its safekeeping duties (i) to delegates in relation to other assets and (ii) to sub-custodians in relation to financial instruments and to open accounts with such sub-custodians.

An up to date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or via the following website link:

<https://apps.rbcits.com/RFP/gmi/updates/Appointed%20subcustodians.pdf>

The Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and the shareholders in the execution of its duties under the 2010 Law and the Depositary Bank and Principal Paying Agent Agreement.

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the 2010 Law and with the Company's articles of incorporation,
- ensure that the value of Shares is calculated in accordance with the 2010 Law and the Company's articles of incorporation,
- carry out the instructions of the Company or of the Management Company acting on behalf of the Company, unless they conflict with the 2010 Law or the Company's articles of incorporation,
- ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits,
- ensure that the income of the Company is applied in accordance with the 2010 Law or the Company's articles of incorporation.

The Depositary will also ensure that cash flows are properly monitored in accordance with the 2010 Law and the Depositary Bank and Principal Paying Agent Agreement.

### **Depositary's conflicts of interests**

From time to time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. On an ongoing basis, the Depositary analyzes, based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the Depositary's conflicts of interests policy which is

subject to applicable laws and regulations for a credit institution according to and under the terms of the Luxembourg law of 5 April 1993 on the financial services sector.

Further, potential conflicts of interest may arise from the provision by the Depositary and/or its affiliates of other services to the Company, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company, the Management Company and/or other funds for which the Depositary (or any of its affiliates) act.

RBC has implemented and maintains a management of conflicts of interests policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interests;
- Recording, managing and monitoring the conflicts of interests situations in:
  - Implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business;
  - Implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
    - RBC and any third party to whom the custodian functions have been delegated do not accept any investment management mandates;
    - RBC does not accept any delegation of the compliance and risk management functions;
    - RBC has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of RBC;
    - A dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

**RBC confirms that based on the above no potential situation of conflicts of interest could be identified.**

An up to date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link: <https://www.rbcits.com/en/who-we-are/governance/information-on-conflicts-of-interest-policy.page>.

## **2.6 CENTRAL ADMINISTRATION, DOMICILIARY AGENT, REGISTRAR AND TRANSFER AGENT**

On the basis of an agreement dated 20 May 2015 ("Administration Agency Agreement"), the Company and the Management Company appointed RBC Investor Services Bank S.A. and the Management Company delegated its duties as central administrator to RBC Investor Services Bank S.A. as registrar and share register administrator for registered Shares. This agreement was concluded for an indefinite period and can be terminated by each party subject to 90 days' notice.

On the basis of an agreement dated 20 May 2015 ("Domiciliary and Corporate Agency Agreement"), the Company appointed RBC Investor Services Bank S.A. as domiciliary of the Company in Luxembourg. This agreement was concluded for an indefinite period and can be terminated by either party subject to 90 days' notice.

## **2.7 DISTRIBUTORS**

The Management Company may appoint distributors to sell Shares of one or more Sub-Funds of the Company. The names and addresses of these distributors can be obtained on request.

## **2.8 AUDITOR AND LEGAL ADVISER**

### **Auditor**

Deloitte Audit, *Société à responsabilité limitée*, 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg

### **Legal adviser**

Arendt & Medernach S.A., 41A, avenue J.F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg

## **3. INVESTMENT PRINCIPLES**

### **3.1 INVESTMENT OBJECTIVES, INVESTMENT POLICIES, ESG RELATED INFORMATION, TYPICAL RISK AND INVESTOR PROFILE OF THE SUB-FUNDS**

The investment objective of the Company for the Sub-Funds is to achieve long-term capital appreciation, or for some Sub-Funds to achieve a high and stable income. Investment will be made in a portfolio of transferable securities and other permitted assets (hereafter “Securities and other assets”). Investments will be made in accordance with the principle of risk spreading and the investment restrictions outlined in section 3.3 “Investment restrictions”, while preserving the capital and maintaining its nominal value.

In order to achieve this objective, the assets of the individual Sub-Funds shall be invested, in accordance with the investment strategy of each Sub-Fund described in the respective annexes, predominantly in securities and other permitted assets expressed in the currency of the Sub-Funds or in the currency of another member state of the OECD or in euro, and which shall be traded on an official stock exchange or on another regulated market of an eligible state (see “Investment restrictions”).

In addition to Securities and other assets permitted by the investment restrictions, the Company may also hold ancillary liquid assets.

Assets of each Sub-Fund expressed in a currency other than the currency of its issue price are permitted and may be hedged against currency risks through foreign exchange transactions.

For the purpose of efficient portfolio management, each Sub-Fund may use the techniques and derivatives permitted in accordance with the conditions described in section 3.4 “Use of derivatives and techniques and instruments”. For all Sub-Funds it is permitted to use the derivative instruments specified in “Use of derivatives and techniques and instruments” not only for the hedging of risk, entering into potential obligations subject to a limit of 100% of the Sub-Fund’s net assets, as provided under the 2010 Law. If this option is to be pursued, this is stated in the annex of the relevant Sub-Fund.

Under the normal investment policy, this allows permitted investments – subject to the conditions and investment limits set out in “Use of derivatives and techniques and instruments” – to be made both directly as well as indirectly, via the purchase of options, calls, futures or the sale of puts. At the same time, transactions to hedge against price, interest rate and currency risks affecting all investments authorised in a Sub-Fund are possible. When using special investment techniques and financial instruments (particularly financial derivative instruments and structured products), the Company shall ensure that each Sub-Fund maintains sufficient liquidity.

If and to the extent as indicated in the annex of the relevant Sub-Fund, the Sub-Funds may invest in non-investment grade securities or securities without credit rating, distressed securities as well as contingent convertible bonds (“CoCos”). A specific description of such investments including a specific risk disclosure is described in the annex of the relevant Sub-Fund in case such investments may be made by the Sub-Fund.

None of the Sub-Funds will make use of securities financing transactions (i.e. (a) repurchase transactions, (b) securities or commodities lending and commodities or securities borrowing, (c) buy-sell back transactions or sell-buy back transactions, and (d) margin lending

transactions) or total return swaps subject to Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

The investment objective and policy as well as the typical risk and investor profile of each Sub-Fund are described in more detail in the annexes to this prospectus.

For the avoidance of doubt, for the benchmark disclosures of the relevant Sub-Funds that are actively managed without replicating any benchmark but with reference to a specific benchmark in Section “B. THE SUB-FUNDS”, it shall be clarified that these Sub-Funds are managed with reference to these benchmarks for the purposes of measuring and monitoring their performance for comparison purposes against the benchmarks. Therefore, the composition of the portfolio holdings of these Sub-Funds is not constrained by the composition of these benchmarks.

The benchmarks of the individual Sub-Funds are listed in the annual and semi-annual reports and in the KIIDs.

### **ESG-criteria integrated into specific Sub-Funds**

The following section describes the principles according to which Bank J. Safra Sarasin AG and its affiliates (“J. Safra Sarasin”) as well as the relevant investment manager of the specific Sub-Fund systematically integrate environmental, social and governance (“ESG”) considerations into sustainable-branded investment strategies<sup>1</sup>.

#### **Investment objectives**

The primary objective of sustainable Sub-Funds is to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG considerations throughout the entire investment process, from universe definition via investment analysis to portfolio construction and risk management. Depending on the sub-fund-specific level of integration of ESG, the objectives of these sub-funds are: (a) avoiding controversial exposures, (b) mitigating ESG risks and harnessing ESG opportunities (c) achieving above-average ESG profile, or (d) intentionally targeting measurable positive outcomes by investing in companies that promote sustainable products and services.

#### **Universe definition**

The first step of the Sub-Fund’s sustainable investment process is the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by J. Safra Sarasin (as further described below). This stage comprises the exclusion of controversial activities as well as the positive and negative sustainability screening (best-in-class and worst-out process, respectively):

- Norms-based exclusions and controversial activities (“JSS standard exclusions”)

Certain business activities which are not deemed to be compatible with sustainable development lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds):

- Controversial Weapons (>0%);
- Defense and Armament (>5%);
- Nuclear Energy (>5%);
- Coal (>5% for coal extraction and >20% for power generation);
- Genetically-modified organisms in agriculture and medicine (>0%);
- Tobacco (>5%);

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<sup>1</sup> For more details of the sustainable investment policy, please refer to the following link: [https://www.jsafrasarasin.com/internet/com/jss\\_sustainable\\_investment\\_policy.pdf](https://www.jsafrasarasin.com/internet/com/jss_sustainable_investment_policy.pdf).

- Adult Entertainment (>5%);
  - International Norms Violations of Human Rights (structural, ongoing failures of compliance with the UN Compact principles);
  - Some sub-funds may have additional exclusion criteria
- Positive and negative screening: best-in-class ESG and worst-out ESG process.

Depending on the type of strategy followed by the Sub-Fund, J. Safra Sarasin applies a best-in-class ESG or a worst-out ESG approach to define the investment universe. The respective investment universe is defined according to J. Safra Sarasin's proprietary and trademarked "Sustainability Matrix".

The best-in-class ESG approach ensures that on the entire global investment universe of issuers for which ESG data are available, at least half (50%) of the number of issuers are excluded, constituting a material reduction of the investment universe. The worst-out ESG approach excludes around 15% of issuers for which data are available and makes sure that ESG laggards are avoided.

ESG criteria may include amongst others:

- Corporate governance (e.g. board structure, executive remuneration, governance codes);
- Changes to regulation (e.g. greenhouse gas emissions restrictions);
- Physical threats (e.g. climate change);
- Brand and reputational issues (e.g. health & safety records, cyber security);
- Supply chain management (e.g. lost time injury rates, fatalities, labour relations);
- Work practices (e.g. health, safety and human rights provisions, Modern Slavery Act).

To ensure high sustainability standards, including the governance of climate-related risks, J. Safra Sarasin has set up the internal *Corporate Sustainability Board* (CSB) to develop its sustainability strategy. The CSB is advised by the external *Sustainable Investment Advisory Council*, which consists of experienced international experts who assist the investment manager with regard to the concept, selection criteria and definition of excluded activities.

ESG key issues, United Nations Sustainable Development Goals ("SDG") -related revenues, carbon metrics and other relevant sustainability-related data are sourced from a number of data providers and integrated into J. Safra Sarasin's proprietary database, where an industry and a company rating are calculated and displayed in the "Sustainability Matrix". A similar process is applied for country ESG ratings.

### **ESG integration into financial analysis**

Wherever J. Safra Sarasin uses proprietary bottom-up investment research, ESG factors are embedded. In this process step, the portfolio manager/analyst enhances the financial assessment with ESG, SDG, climate and other sustainability performance data to get a holistic view of the investment case in order to make a better informed decision.

### **ESG, SDG and Climate Risk Management and Objectives**

The portfolio managers monitor the ESG ratings and climate-related metrics of their Sub-Funds and compare them with the benchmark in their risk management systems on an ex-ante basis. The ESG and climate performance is also monitored ex-post in performance review meetings and in the Bank's Risk and Performance Committee.

For a number of Sub-Funds we assign ESG and climate objectives which the portfolio managers have to adhere to and which are monitored by the Risk and Performance

Committee. Climate objectives often relate to the carbon footprint of the Sub-Fund against the benchmark.

Certain Sub-Funds may use outcome-oriented data on SDG-related corporate revenues in the idea generation part of the investment process. They may have explicit targets in relation to the percentage of those SDG-related revenues versus overall revenues of the Sub-Funds holdings.

### **Active Ownership**

All Sub-Funds integrating ESG-criteria are in scope of J. Safra Sarasin's active ownership policy. J. Safra Sarasin pursues the following four types of active ownership activities: direct company engagement, collaborative engagement, public policy engagement and proxy voting ("Proxy Voting", for equities).

### **Risks associated with handling ESG data**

While J. Safra Sarasin has diligently hand-picked its data providers and has made a thorough effort to create balanced and fair ESG ratings for each company, J. Safra Sarasin cannot rule out faulty assessments in its ESG approach or deviation of its ESG ratings from other providers. These may be caused by the following factors:

- Lack of standardised regulatory standards on data collection and transformation;
- Lack of standardised corporate reporting standards on ESG;
- Limited accuracy of ESG data due to self-reporting with limited audits;
- Faulty estimates by data providers if companies do not report ESG data;
- Large-cap bias in data reporting;
- Different views of data providers on material ESG key issues;
- Rater biases.

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

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

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

These Sub-Funds are applying a specific level of integration of ESG-criteria and the objectives of these Sub-Funds are (a) avoiding controversial exposures, (b) mitigating ESG risks and harnessing ESG opportunities and (c) achieving above-average ESG profile (as described above in detail). These Sub-Funds qualify as financial products under Art. 8(1) of the SFDR.

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

These Sub-Funds have a sustainable investment objective while seeking attractive returns by (a) avoiding controversial exposures, (b) mitigating ESG risks and harnessing ESG opportunities, (c) achieving above-average ESG profile and (d) intentionally targeting measurable positive outcomes by investing in companies that promote sustainable products and services (as described above in detail). These Sub-Funds qualify as financial products under Art. 9(1), (2) or (3) of the SFDR.

### 3. *Sub-Funds not promoting ESG characteristics*

Sub-Funds that do not promote ESG characteristics and / or do not have ESG investment objectives, do not take into account the EU criteria for environmentally sustainable economic activities.

J. Safra Sarasin Fund Management (Luxembourg) S.A. acting as Management Company of the Company does not consider the adverse impacts of its investment decisions on Sustainability Factors within the meaning of Art. 7 SFDR as it considers the adverse impacts on Sustainability Factors within its own sustainability approach.

#### **Historical performance**

Where available, the historical performance of the Sub-Funds is given in the corresponding "KIID" corresponding to the relevant share class of the Sub-Fund.

#### **3.2 RISK PROFILE AND RISKS**

In addition to the general risks set out below, the Sub-Fund-specific annexes contain information on risks for the individual Sub-Funds.

##### **3.2.1 General risk profile**

Investments in a Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.

In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.

#### **General risks**

##### **Market risk**

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

The value of the assets in which the Sub-Fund invests can be influenced by a number of factors, including economic trends, the legal and fiscal framework and changes in investor confidence and behaviour.

Furthermore, the value of bonds and equities can be affected by factors specific to an individual company or issuer, as well as general market and economic conditions. Equities of companies in growth sectors (e.g. technology) or emerging markets, and equities of small and mid caps are associated with relatively higher price risks. Corporate bonds usually carry a higher risk than government bonds. The lower the quality rating given to a debtor by a rating agency, the higher the risk. Non-rated bonds can be riskier than bonds with an investment grade rating.

The value of equities may be reduced by changing economic conditions or disappointed expectations, and investors and/or the Sub-Fund may not get back the full value of the original investment. In the case of bonds, the above-mentioned risk factors mean there is no guarantee that all issuers will be able to meet their payment obligations in full and on time.

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

**Interest rate risk**

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

**Credit and counterparty risk**

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

**Exchange rate and currency risk**

If a Sub-Fund invests in currencies other than the Accounting Currency (foreign currencies), it is exposed to exchange rate risk. This is the risk that currency fluctuations may negatively impact the value of the Sub-Fund’s investments. Depending on an investor’s Reference Currency, such fluctuations can have a negative impact on the value of their investment. In addition, the investment manager will endeavour to largely hedge investments against currency fluctuations relative to the Reference Currency of Shares classes with “hedged” in the name. However, the possibility of currency fluctuations working to the disadvantage of the corresponding share classes of this Sub-Fund cannot be ruled out.

**Concentration risk**

The greater the weighting (the Share in the Sub-Fund), the greater the enterprise risk or other risks specific to issuers involved (a fall in prices or default). These risks may be mitigated by limiting and monitoring the issuer concentration.

**Liquidity risk**

A UCITS is obliged to redeem Shares at the request of a shareholder. Sub-Funds are exposed to liquidity risk if they cannot sell or close out certain investments at short notice and thus cannot meet their payment obligations on time.

Particularly in the case of thinly traded securities, a fairly small order can result in significant price changes for both purchases and sales. If an asset is illiquid, there is a risk that, if the asset needs to be sold, the liquidation will not be possible or will only be possible if a significant discount on the purchase price is accepted. In the event of purchase, an asset’s illiquidity may result in a significant increase in the purchase price. Sub-fund’s assets may also include assets that are not listed on an exchange or traded on some other organised market. Acquiring such assets carries the particular risk that difficulties will be met in selling the assets on to third parties. Securities of small & mid caps companies are subject to the risk that the market in these securities might not always be liquid. This can mean that the securities cannot be sold at the desired time and/or cannot be traded in the desired quantity and/or at the desired price.

On asset side, liquidity risk is mitigated through the maintenance of sufficient highly liquid investments at portfolio level (under normal and stressed market conditions). From liabilities’ perspective, liquidity risk is managed through monitoring historical and anticipated net outflows (under normal and stressed market conditions), large shareholder concentrations as well as other potential payment obligations (e.g. margin, interest payments). At sub-fund level, it is ensured that relevant liquidity management tools in place as well as redemption terms are appropriate with regards to the sub-fund’s investment strategy and underlying assets.

In case of insufficient portfolio liquidity or other liquidity issues, the permanent risk management function of J. Safra Sarasin Fund Management (Luxembourg) S.A. is in charge of reporting the issue to the Fund’s Board of Directors which will in turn decide on appropriate corrective measures to be taken in accordance with the Management Company’s Risk Policy. All necessary steps are taken to ensure that shareholders are not exposed to liquidity shortcomings.

**Operational risk (including settlement risk)**

As a result of their collaboration with third parties, Sub-Funds are exposed to various operational risks that may give rise to losses. With operational risks, a distinction is generally made between internal and external events. Internal events include (i) insufficient internal procedures and (ii) human or (iii) system failures. Insufficient internal procedures mean inadequate or deficient processes, insufficient internal control mechanisms, violations which are not taken into consideration or not recorded and the inadequate division of responsibilities. Human error includes poor capacity planning, dependency on key personnel, defective or ineffective management, undiscovered money-laundering or thefts, insufficiently qualified personnel and fraud. System failures may include inadequate access controls, a lack of business continuity planning, unsuitable systems, a lack of system maintenance and monitoring as well as defective system security. External events, in contrast, include fraud by external persons, natural disasters, geopolitical risks and market events. Finally, operational risks also include legal and documentation risks plus risks which result from the trading, settlement and evaluation procedures operated for the Sub-Fund. Sub-Funds that do business with third parties are exposed to settlement risk. This is the risk that a third party may be unable to fulfil its obligations in full and on time.

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

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

- When using derivatives, a credit risk arises if a third party (counterparty) does not fulfil the obligations of the derivative contract. The credit risk of derivatives traded over-the-counter is generally higher than in exchange-traded derivatives. When evaluating the potential credit risk of derivatives traded over-the-counter, the creditworthiness of the counterparty must be taken into account. In the event of the bankruptcy or insolvency of a counterparty, the Sub-Fund concerned may suffer delays in the settlement of positions and considerable losses, including impairment of the investments made during the period in which the Sub-Fund seeks to enforce its claims; it may fail to realise profits during this period and may also incur expenses in connection with the enforcement of these rights. There is also a possibility that derivative contracts will be terminated, for example due to bankruptcy, supervening illegalities or due to a change in tax or accounting legislation affecting the provisions in force when the contract was concluded. Investors should be aware that the insolvency of a counterparty can in principle result in substantial losses for the Sub-Fund.
- Liquidity risk can arise in derivatives if their market becomes illiquid. This is frequently the case in derivatives traded over-the-counter. Derivatives also carry valuation risk, since determining prices is often a complex process and can be influenced by subjective factors.
- Over-the-counter derivatives carry higher settlement risk.
- Derivatives can also be exposed to management risk, as they do not always have a direct or parallel relationship with the value of the underlying instrument from which they are derived. As such, there can be no guarantee that the investment objective will be achieved when using derivative products.
- There is generally no market price available for OTC derivatives, which can give rise to valuation problems at the Sub-Fund level.

**Custody risk**

The investment managers may decide from time to time to invest in a country where the Depositary has no correspondent. In such a case, the Depositary will have to identify and appoint a local custodian following a respective due diligence. This process may take time and deprive in the meantime the investment manager of investment opportunities.

The Depositary will assess on an ongoing basis the custody risk of the country where the Sub-Fund's assets are safekept. In many emerging markets, local custody and settlement services remain underdeveloped and there is a custody and transaction risk involved in dealing in such markets. In certain circumstances, the Sub-Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, to secure the investment, the investment manager may be required to sell the assets immediately at a less attractive price than the Sub-Fund would have received under normal circumstances, potentially affecting the performance of the Sub-Fund.

In accordance with the Directive 2009/65/EC, entrusting the custody of the Sub-Fund's assets to the operator of a securities settlement system ("SSS") is not considered as a delegation by the Depositary and the Depositary is exempted from the strict liability of restitution of assets. A central securities depository ("CSD") being a legal person that operates a SSS and provides in addition other core services, should not be considered as a delegate of the Depositary irrespective the fact that the custody of the Sub-Fund's assets have been entrusted to it. There is however some uncertainty around the meaning to be given to such exemption, the scope of which may be interpreted narrowly by some supervisory authorities, notably the European supervisory authorities.

In certain circumstances, the Depositary may be required by local law to delegate safekeeping duties to local custodians subject to weaker legal and regulatory requirements or who might not be subject to effective prudential supervision, increasing thus the risk of a loss of the Sub-Fund's assets held by such local custodians through fraud, negligence or mere oversight of such local custodians. The costs borne by the Sub-Fund in investing and holding investments in such markets will generally be higher than in organised security markets.

### **Pledge**

As a continuing security for the payment of its duties under the Depositary Bank and Principal Paying Agent Agreement (like fees to the depositary or also overdraft facilities offered by the Depositary), the Depositary shall have a first priority pledge of 10% granted by the Company over the assets the Depositary or any third party may from time to time hold directly for the account of the Sub-Funds, in any currency.

### **Cash**

Under the Directive 2009/65/EC, cash is to be considered as a third category of assets beside financial instruments that can be held in custody and other assets. The Directive 2009/65/EC imposes specific cash flow monitoring obligations. Depending on their maturity, term deposits could be considered as an investment and consequently would be considered as other assets and not as cash.

### **Investments in other investment funds**

If a Sub-Fund invests in another UCITS or UCI ("Target Fund"), it should be noted that costs will also be incurred at the level of these Target Funds (incl. custodian fees, central administration fees, asset management fees, taxes, etc.). As the investor in these Target Funds, the Sub-Fund in question shall bear these costs, in addition to the costs incurred at the Sub-Fund level.

### **Debt securities issued pursuant to Rule 144A under the US Securities Act of 1933**

Sub-Funds may also invest in debt securities of corporations issued under Rule 144A under the US Securities Act of 1933. SEC Rule 144A provides a safe harbor exemption from the registration requirements of the US Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for investors is potentially higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified

institutional buyers. This might increase the volatility of the security prices and, in extremes conditions, decrease the liquidity of a particular rule 144A security.

**Foreign account tax compliance act (“FATCA”) related risks**

The Fund may be subject to regulations imposed by foreign regulators, in particular, the United States Hiring Incentives to Restore Employment Act (Hire Act) which was enacted into U.S. law on 18 March 2010. It includes provisions generally known as FATCA. FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service of non-U.S. financial institutions that do not comply with FATCA and U.S. persons’ (within the meaning of FATCA) direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

Under the terms of FATCA, the Fund will be treated as a Foreign Financial Institution (within the meaning of FATCA). As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

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

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

Despite anything else herein contained, the Fund shall have the right to:

- withhold any taxes or similar charges that it is legally required to withhold by applicable laws and regulations in respect of any share holding in the Fund;
- require any investor or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Fund in its discretion in order to comply with applicable laws and regulations and/or to promptly determine the amount of withholding to be retained;
- divulge any such personal information to any tax authority, as may be required by applicable laws or regulations or requested by such authority; and
- delay payments of any dividend or redemption proceeds to an investor until the Fund holds sufficient information to comply with applicable laws and regulations or determine the correct amount to be withheld.

**Common reporting standard (“CRS”) related risks**

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

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

Under the terms of the CRS-Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable

data protection provisions, the Fund will be required to annually report to the Luxembourg tax authority (the “LTA”) personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities (“NFEs”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS-Law (the “Information”), will include personal data related to the Reportable Persons.

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

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

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

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

### **3.2.2 Sub-Fund’s specific risk profile**

If specifically referred to in the Sub-Fund’s specific annex, a Sub-Fund might be exposed to specific risk as follows:

- **Emerging Markets related risks**

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

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

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

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

Currency export restrictions or other related regulations in these countries may also lead to complete or partial delays in the repatriation of the investments, or fully or partly prevent this, with the consequence of possible delays in the payment of the Redemption Price.

- **Distressed Securities**

When investing in distressed securities, there is also a higher credit default risk which may arise in connection with payment default or serious financial difficulties among the respective companies.

Investments in distressed securities involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the investment manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which the relevant Sub-Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate the relevant Sub-Fund adequately for the risks assumed.

- **Contingent convertible bonds (“CoCos”) related risks**

Most CoCos are issued as perpetual instruments which are callable at pre-determined dates.

Perpetual CoCos may not be called on the predefined call date and investors may not receive return of principal on the call date or at any date.

There are no widely accepted standards for valuing CoCos. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale. In certain circumstances finding a ready buyer for CoCos may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

There are three types of CoCos with different percentage of risk weighed assets (the “RWA”). The implemented legislation through the Capital Requirements Directive IV (the “CRD IV”) and Capital Requirement Regulation (the “CRR”) as with Basel III, mandates a change in the quantity of the highest quality capital layer Common Equity Tier 1 (CET1), increasing from what was effectively 2% to 4.5% of RWA. While the intent of the legislation is to ensure an increase in a bank’s common equity, the regulation allows a financial institution to issue Additional Tier 1 (AT1) securities in non-CET1 capital but in the form of CoCos so that Tier 1 capital is at least 6% of RWA at all times. CoCos may also be issued as Tier 2 (T2) instruments so that total capital is at least 8% of RWA at all times.

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

Trigger level risk: CoCos which qualify as AT1 can be converted in CoCos qualifying as CET1 if certain levels are triggered. As a result, CoCos which qualify as AT1 de facto

carry an equity risk. The amount of CET1 varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.

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

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

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

This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger T2 CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity.

Call extension risk: AT1 CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual CoCos will be called on call date. AT1 CoCos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

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

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

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

- **Credit Default Swaps**

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

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

If no event of default or decrease of credit quality occurs with regard to the reference obligation, the relevant Sub-Fund (if buyer) will lose its investment and recover nothing. However, if an event of default occurs, the relevant Sub-Fund (if buyer) will receive the full notional value of the reference obligation that may have little or no value. In case of a rise in credit quality with regard to the reference obligation, the relevant Sub-Fund (as buyer) may generate a loss in case of a close-out of the credit default swap before expiry. As seller, the relevant Sub-Fund receives a fixed rate of income throughout the term of the contract, provided that there is no event of default. If an event of default occurs, the relevant Sub-Fund must pay the buyer the full notional value of the reference obligation and will receive only the defaulted reference obligation or the market value of the reference obligation. In case of a decline in credit quality with regard to the reference obligation, the relevant Sub-Fund may generate a loss in case of a close-out of the credit default swap before expiry.

In addition to the risk factors addressed in the section 3.2 of this prospectus “Risk profile and risks”, sub-section 3.2.1 “General Risk Profile” chapter “Derivatives risk (risks associated with the use of derivative products)”, the market for credit derivatives may from time to time be less liquid than debt securities markets. The sale of a credit derivative may increase the risk exposure of the relevant Sub-Fund to the market (leverage).

- **Risks linked with dealing in securities via Stock Connect**

To the extent that the relevant Sub-Fund’s investments in China are dealt via Stock Connect, such dealing may be subject to additional risk factors. Stock Connect is a mutual market access programme through which non-PRC investors can deal in select securities listed on a People’s Republic of China (“PRC”) stock exchange, currently the Shanghai Stock Exchange (“SSE”) and the Shenzhen Stock Exchange (“SZSE”), through a platform organized by the Hong Kong Stock Exchange (“SEHK”) via a broker in Hong Kong and PRC domestic investors can deal in select securities listed on the SEHK through a platform put in place by a PRC stock exchange, currently the SSE and SZSE.

The relevant regulations are subject to change. Stock Connect is subject to quota limitations which may restrict the relevant Sub-Fund’s ability to deal via Stock Connect on a timely basis. This may impact the Sub-Fund’s ability to implement its investment strategy effectively. Currently, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index, the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index (with market capitalization of Renminbi “RMB” 6 billion or above) as well as all China A Shares dual-listed on either the SSE or SZSE and the SEHK except for listed shares which are not traded in RMB and/or which are under ‘risk alert’ or under delisting arrangements. Shareholders should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the relevant Sub-Fund’s ability to meet its investment objective, e.g. when the investment manager wishes to purchase a security which is recalled from the scope of Stock Connect.

***Beneficial owner of the SSE/SZSE Shares***

Stock Connect currently comprises the Northbound link, through which Hong Kong and overseas investors like the Fund may purchase and hold China A Shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange (“**SSE/SZSE Shares**”), and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the Stock Exchange of Hong Kong. The relevant Sub-Fund trades SSE/SZSE Shares through its broker affiliated to the Fund sub-

custodian who is SEHK exchange participants. These SSE/SZSE Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System (“**CCASS**”) maintained by the Hong Kong Securities and Clearing Corporation Limited (“**HKSCC**”) as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds SSE/SZSE Shares of all its participants through a “single nominee omnibus securities account” in its name registered with ChinaClear, the central securities depository in Mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of SSE/SZSE Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that SSE/SZSE Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in SSE/SZSE Shares in Mainland China. Foreign Investors like the concerned Sub-Fund investing through the Stock Connect holding the SSE/SZSE Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.

***Not protected by Investor Compensation Fund***

Investors should note that any Northbound or Southbound trading under Stock Connect will not be covered by Hong Kong’s Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Hong Kong’s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

***Pre-trade checking***

Mainland China law provides that SSE and SZSE may reject a sell order if an investor (including the relevant Sub-Fund) does not have sufficient available China A shares in its account. SEHK will apply similar checking on all sell orders of China connect securities on the Northbound link at the level of SEHK’s registered exchange participants (“Exchange Participants”) to ensure there is no overselling by any individual Exchange Participant (“Pre-Trade Checking”).

***Quota limitations***

Trading under Stock Connect will be subject to a maximum daily quota (“Daily Quota”). The Northbound link will be subject to a separate set of Daily Quota, which is monitored by SEHK. The Daily Quota limits the maximum net buy value of cross-border trades via the Northbound link under Stock Connect each day. The applicable quota may change from time to time without prior notice and consequently affect the buy trades on the Northbound link.

In particular, once the remaining balance of the Daily Quota applicable to the Northbound link drops to zero or such Daily Quota is exceeded, new buy orders will be rejected (though investors will be allowed to sell their China connect securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Sub-Funds’ ability to invest in China connect securities through Stock Connect on a timely basis.

***Difference in trading day and trading hours***

Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the two Mainland China markets, Shanghai Stock Exchange

(SSE) and Shenzhen Stock Exchange (SZSE), and Hong Kong Stock Exchange (HKSE). Stock Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong.

The investment manager should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in China A Shares during the time when Stock Connect is not trading.

***Order Priority***

Where a broker provides the Stock Connect trading services to its clients, proprietary trades of the broker or its affiliates may be submitted to the trading system independently and without the traders having information on the status of orders received from clients. There is no guarantee that brokers will observe client order priority (as applicable under relevant laws and regulations).

***Best Execution Risk***

China connect securities trades may, pursuant to the applicable rules in relation to Stock Connect, be executed through one or multiple brokers that may be appointed for the relevant Sub-Fund for trading via the Northbound Trading Link. In order to satisfy the Pre-Trade checking requirements, the Sub-Fund may determine that they can only execute China connect securities trades through certain specific broker(s) or Exchange Participant(s) and accordingly such trades may not be executed on a best execution basis.

In addition, the broker may aggregate investment orders with its and its affiliates' own orders and those of its other clients, including the relevant Sub-Fund. In some cases, aggregation may operate to the Sub-Funds disadvantage and in other cases aggregation may operate to the Sub-Funds advantage.

***Limited off-exchange trading and transfers***

"Non-trade" transfers (i.e. off-exchange trading and transfers) through Stock Connect are generally not permitted except in limited circumstances provided under Stock Connect rules.

***Recalling of eligible stocks and trading restrictions***

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the investment manager. The investment manager should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE/SZSE and HKSE.

Under Stock Connect, the investment manager will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under "risk alert"; (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK and/or (iv) in respect of SZSE Shares only, such Shares, based on any subsequent periodic review, that are determined to have a market capitalisation of less than RMB 6 billion. Investors should also note that price fluctuation limits would be applicable to China A Shares.

***Trading costs***

In addition to paying trading fees and stamp duties in connection with China A Shares trading, the relevant Sub-Fund carrying out Northbound trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with

income arising from stock transfers which would be determined by the relevant authorities.

***Currency risks***

Northbound investments by the relevant Sub-Fund in the SSE/SZSE securities will be traded and settled in Renminbi. If the relevant Sub-Fund holds a class of shares denominated in a local currency other than RMB, the Sub-Fund will be exposed to currency risk if the relevant Sub-Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the relevant Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Sub-Fund purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

**The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.**

***Sustainability-related risks***

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

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

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

Sustainability Risks are integrated in the investment decision making and risk monitoring via the ESG Integration approach to the extent that they represent potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns of the Sub-Funds.

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

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

Unless otherwise specified in Section “B. THE SUB-FUNDS”, the Sub-Funds are highly diversified. Therefore, it is expected that the Sub-Funds will be exposed to a broad range of Sustainability Risks, which will differ from company to company. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not

anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

If specified for each of the Sub-Funds in Section “B. THE SUB-FUNDS” a Sub-Fund might be exposed to the following specific risks which will usually have greater exposure to Sustainability Risks than others:

#### *Europe*

This Sub-Fund is exposed to risks related to the increasing regulatory requirements in Europe that results, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy may result in significant Sustainability Risks that might impede this Sub-Fund’s assets business models, revenues and overall value. Such financial loss may be due to, for example, the changes in the regulatory framework like carbon pricing mechanisms, stricter energy efficiency standards, or policy and legal risks related to litigation claims or the transition to a low-carbon economy which may also negatively impact organizations via technological evolutions leading to the substitution of existing products and services by lower emissions options or the potential unsuccessful investment in new technologies made by this Sub-Fund.

In Europe the raising awareness of sustainability issues exposes this Sub-Fund to reputational risk linked to sustainability that can affect the Sub-Fund’s assets directly, for example through name and shame campaigns by NGOs or consumer organizations. Stigmatization of an industry sector, shift in consumer preferences and increased shareholder concern/negative feedback resulting from growing concerns over climate change may negatively impact the Sub-Fund and the value of its investments.

#### *Emerging Markets*

This Sub-Fund is exposed to risks related to Emerging Markets which will usually have greater exposure to Sustainability Risks than others. For instance, governance risks are often more pronounced in Emerging Markets, materializing from a lack of maturity or corporate tenure or an often more concentrated ownership. Additionally, companies in many emerging markets are usually less transparent and deliver less robust disclosures resulting in a more challenging task for Investment Managers and external providers to identify and assess the materiality of eventual Sustainability Risks. Lag on labor and human rights practices, child labor, corruption are other examples of Sustainability Risks in Emerging Markets that could damage a company’s reputation and earnings prospects, and increase the risk of regulatory scrutiny and restrictions. Such event could significantly impact the return of this Sub-Fund.

#### *High Yield*

This Sub-Fund is significantly exposed to the High-Yield market. High-Yield bonds are mostly issued by smaller companies which might be privately owned. Those smaller companies are usually less transparent and deliver less robust disclosures. The information scarcity results in a more challenging task of identifying and assessing the materiality of eventual Sustainability Risks.

Further details and specific information is given for each Sub-Funds in Section “B. THE SUB-FUNDS”.

### 3.3 INVESTMENT RESTRICTIONS

The Board of Directors of the Company shall determine the investment policy of each Sub-Fund according to the principle of risk spreading.

On the basis of the 2010 Law the Board of Directors of the Company decided to approve the following investments:

1. Permitted investments

The investments shall consist of:

- (a) Transferable securities and money market instruments:
  - that are listed or traded on a regulated market (as defined in Article 41(1)(a) of the 2010 Law);
  - that are traded on another regulated market of a European Union (EU) member state that is recognised, open to the public and operates regularly;
  - that are officially listed on a stock exchange of a third country or traded on another regulated market of a third country that is recognised, open to the public and operates regularly;
  - that are newly issued, where the issuing conditions include the undertaking that admission to an official listing on a stock exchange or another regulated market that is recognised, open to the public and operates regularly will be applied for and that admission will be granted at the latest within one year of issue.
- (b) Sight or call deposits with a maximum term of 12 months at an approved credit institution with its registered office in an EU or OECD member state or a country that has ratified the resolutions of the Financial Action Task Force (FATF) (an "Approved Credit Institution").
- (c) Derivatives, including equivalent cash-settled instruments that are traded on a regulated market as described in the first, second or third indent under (a) above, and/or OTC derivatives, provided that:
  - the underlying assets consist of instruments covered by this paragraph or financial indices, interest rates, foreign exchange rates or currencies in which the Sub-Funds may invest according to their investment objectives;
  - the counterparties in OTC derivative transactions are institutions subject to prudential supervision belonging to categories approved by the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier* – CSSF); and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at the Company's initiative.
- (d) Shares/units of UCITS authorised under Directive 2009/65/EC and/or other undertakings for collective investment (UCIs) as defined in Article 1(2)(a) and (b) of Directive 2009/65/EC, with their registered office in an EU Member State or a third country, provided that:
  - such other UCIs are authorised under laws subjecting them to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between the authorities is sufficiently ensured;
  - the level of protection for shareholders/unitholders of such other UCIs is equivalent to that provided for shareholders/unitholders of a UCITS, and in particular that the rules on asset segregation, borrowing, lending and short selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of such other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets, liabilities, income and operations over the reporting period;
  - no more than 10% of the net asset value of the UCITS or other UCIs whose acquisition is contemplated may, according to their constitutional documents, be invested in aggregate in shares/units of other UCITS or other UCIs.

When the Company invests in shares/units of other UCITS and/or other UCIs that are managed directly or indirectly by the same Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the associated issue and redemption commissions incurred in respect of the Target Fund may not be charged to the Sub-Fund making the investment.

As regards the Sub-Funds which, in accordance with their investment policy, invest a major part of their assets in shares/units of other UCITS and/or other UCIs, the maximum management fees levied by the Sub-Fund itself, and by the other UCITS and/or UCIs in which it intends to invest, are stated in the annex relating to the Sub-Fund in question under the heading "Fees payable to the Management Company". According to the conditions permitted by the 2010 Law, each of the Sub-Funds of the Company may invest in one or more of the Company's other Sub-Funds.

- (e) Money market instruments other than those traded on a regulated market that fall within the scope of Article 1 of the 2010 Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- issued or guaranteed by a central, regional or local authority or central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EU member states belong, or;
  - issued by a company, any of whose securities are traded on the regulated markets referred to under 1. (a) above, or;
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment that is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or;
  - issued by other bodies belonging to the categories approved by the CSSF, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second or third indent and provided that the issuer is a company whose equity capital amounts to at least EUR ten (10) million and that presents and publishes its annual accounts in accordance with Directive 2013/34/EU, or is an entity that, within a group of companies including one or more listed companies, is dedicated to financing the group or is an entity dedicated to financing securitisation vehicles that benefit from a banking liquidity line.
- (f) However:
- the Company may invest no more than 10% of the net asset value of the Sub-Funds in transferable securities and money market instruments other than those referred to in (a) to (e) above;
  - the Company may invest no more than 10% of the net asset value of any Sub-Fund in Target Funds mentioned in 1. (d), unless the annex detailing a Sub-Fund expressly permits an additional investment in Target Funds; in particular, the annex of a Sub-Fund may stipulate that the Sub-Fund invests at least 85% of its assets in units or shares of another UCITS (or a Sub-Fund thereof) which is authorised under EU Directive 2009/65/EC, which is not itself a feeder pursuant to chapter 9 of the 2010 Law and which does not hold shares or units of any such feeder;
  - the Company may not acquire precious metals or certificates representing them.
- (g) The Company may hold ancillary liquid assets.

## 2. Risk diversification

- (a) The Company may invest no more than 10% of the net asset value of any Sub-Fund in transferable securities or money market instruments issued by the same body. The Company may invest no more than 20% of the net asset value of any Sub-Fund in deposits made with the same institution.

The Company's risk exposure to a counterparty in an OTC derivative transaction may not exceed:

- 10% of the net asset value of each Sub-Fund when the counterparty is an authorised credit institution, or;
- 5% of the net asset value of each Sub-Fund in other cases.

The Company shall ensure that the overall exposure for each Sub-Fund relating to derivative instruments does not exceed the net asset value of the affected Sub-Fund in question. The exposure shall be calculated taking into account the market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The overall exposure of the underlying assets may not exceed the investment limits laid down in (a) to (f). In the case of index-based derivative instruments, the underlying assets need not observe these investment limits. Where a derivative is embedded in a transferable security or money market instrument, it must be taken into account when complying with the requirements of this point.

- (b) The total value of the transferable securities and money market instruments held by a Sub-Fund in issuing bodies, in each of which a Sub-Fund invests more than 5% of its net asset value, must not exceed 40% of its net asset value. This limit does not apply to deposits or OTC derivative transactions made with financial institutions subject to prudential supervision.
- (c) Notwithstanding the individual limits laid down under (a) above, a Sub-Fund may not combine in excess of 20% of its net asset value:
- investments in transferable securities or money market instruments issued by a single body;
  - deposits made with that single body; and/or
  - OTC derivatives purchased from that body.
- (d) The limit laid down in the first sentence of (a) may be raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state, by its local authorities, by a third country or by a public international body to which one or more member states belong.
- (e) The limit laid down in the first sentence of (a) may be raised to a maximum of 25% in the case of certain bonds when these are issued by a credit institution that has its registered office in an EU member state and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets that, during the whole period of validity of the bonds, are capable of covering the liabilities attached to the bonds and that, in the event of issuer default, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net asset value in the bonds referred to in the preceding paragraph, issued by one single issuer, the total value of these investments may not exceed 80% of the net asset value of the Sub-Fund.

- (f) The transferable securities and money market instruments referred to under (d) and (e) above shall not be taken into account for the purpose of applying the limit of 40% referred to under (b) above.

The limits provided for under (a) to (e) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out

in accordance with (a) to (e) shall under no circumstances exceed in total 35% of the net asset value of a Sub-Fund.

Companies that are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the above limits.

Cumulative investment in transferable securities and money market instruments within the same group is permitted up to a limit of 20% of the net asset value of a Sub-Fund.

(g) **By way of derogation from points (a) to (f) above, the Company is authorised to invest, in accordance with the principle of risk spreading, up to 100% of the net asset value of a Sub-Fund in different transferable securities and money market instruments issued or guaranteed by any EU member state, its local authorities, an OECD member state, Brazil, Singapore or public international bodies of which one or more EU member states are members. Such a Sub-Fund must hold transferable securities from at least six different issues, but transferable securities from any single issue may not account for more than 30% of its net asset value.**

(h) Without prejudice to the investment limits laid down under (j) below, the upper limit under (a) above may be raised to a maximum of 20% for investment in equities and/or debt securities issued by the same body when the aim of a Sub-Fund's investment strategy is to replicate the composition of a specific equity or debt securities index that is recognised by the CSSF, provided that:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- the index is published in an appropriate manner.

The limit for the preceding paragraph shall be 35% where this is justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. Investment up to this limit is only permitted in a single issuer.

(i) A Sub-Fund may acquire shares/units of UCIs and/or UCITS referred to under 1. (d), provided that its investments in any one UCI and/or UCITS do not exceed 10% of its net asset value. Provided the liability of the assets of a Sub-Fund of an umbrella fund towards third parties is ensured, this 10% limit shall apply for such Sub-Funds.

(j)

(A) The Company or the Management Company acting in connection with any of the investment funds it manages and that are classed as UCITS may not acquire any shares carrying voting rights that would enable it to exercise significant influence over the management of an issuer.

(B) Furthermore, the Company may acquire no more than:

- 10% of the non-voting shares of any single issuer;
- 10% of the debt securities of any single issuer;
- 25% of the shares/units of any single Target Fund;
- 10% of the money market instruments of any single issuer.

The limits laid down in the second, third and fourth indents may be disregarded if, at the time of acquisition, the gross amount of the debt securities or money market instruments, or the net amount of the instruments issued, cannot be calculated.

Application of paragraphs (A) and (B) shall be waived in regard to:

- transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a country which is not a member state of the European Union;

- transferable securities and money market instruments issued or guaranteed by public international bodies of which one or more EU member states are members;
  - shares held by the Company in the capital of a company incorporated in a third country investing its assets mainly in the securities of issuing bodies having their registered offices in that country, where under the legislation of that country such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that country. This derogation, however, shall apply only if in its investment policy the company from the third country complies with the limits laid down under (a) to (f) and (i) to (j) (A) and (B). Where the limits set in (a) to (f) and (i) are exceeded, (k) shall apply *mutatis mutandis*;
  - shares held by the Company, alone or jointly with other UCIs in the capital of subsidiary companies which, exclusively on its or their behalf provide management, advice or marketing services in the country where the subsidiary is located in regard to the redemption of shares at the request of shareholders.
- (k)
- (A) The Company need not comply with the limits laid down in this section when exercising subscription rights attaching to transferable securities or money market instruments that form part of its assets. While ensuring observance of the principle of risk spreading, the Company may derogate from (a) to (h) and (i) above for six months following the date of its authorisation.
  - (B) If the limits referred to in paragraph (A) are exceeded for reasons beyond the control of the Company or a Sub-Fund or as a result of the exercise of subscription rights, the Company must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- (l)
- (A) The Company may not borrow, but may acquire foreign currency by means of “back-to-back” loans.
  - (B) By way of derogation from paragraph (A), the Company, acting on behalf of a Sub-Fund, may borrow (i) up to 10% of its net asset value, provided that the borrowing is on a temporary basis; (ii) up to 10% of its net asset value, provided that the loans are for the purpose of acquiring real estate essential for the direct pursuit of its business; these loans and those referred to in (A) may not in total exceed 15% of the relevant net asset value.
- (m) The Company or the Depositary may not guarantee any loans on behalf of Sub-Funds or act as guarantor for third parties, without prejudice to the application of Articles 41 and 42 of the 2010 Law. This will not prevent the Company from acquiring securities, money market instruments or other financial instruments referred to under 1. (c), (d) or (e) that are not fully paid up.
- (n) The Company or Depositary acting on behalf of the Sub-Funds may not carry out short sales of securities, money market instruments, shares/units of Target Funds or other financial instruments referred to under 1. (c), (d) or (e).
- (o) The Company may hold liquid assets for each Sub-Fund on an ancillary basis. Exceptions to this provision, for example in regard to holding liquid assets for investment purposes, are given in the annex for each Sub-Fund.
- (p) The Company may not invest in securities that entail unlimited liability.
- (q) The Fund’s assets may not be invested in real estate, precious metals, precious metals contracts, commodities or commodity contracts. The Fund’s assets may be invested in contracts on commodity indices, provided that the indices meet the criteria described in 2.(h) above.
- (r) The Company may adopt further investment restrictions in order to comply with conditions in any country in which its Shares are destined for sale.

### 3.4 USE OF DERIVATIVES AND TECHNIQUES AND INSTRUMENTS

#### 3.4.1 USE OF DERIVATIVES

The Company may use financial derivative instruments (derivatives) for each Sub-Fund for the purposes of investment or hedging in accordance with 3.3.1. (c). Financial derivatives instruments include, but are not limited to, futures, options, swaps (interest rate swaps, currency swaps, total return swaps, credit default swaps, etc.), forwards, and contracts for differences. It must at all times observe the investment restrictions laid down in part I of the 2010 Law and in section 3.3 “Investment restrictions”, and in particular must take into account the securities underlying the derivatives and structured products used by the individual Sub-Funds (the “Underlying Securities”) when calculating the investment limits described in the previous section. The Company shall ensure that its global exposure for each Sub-Fund relating to derivative instruments does not exceed the net asset value of the Sub-Fund in question. If the Value-at-Risk (VaR) approach is used to calculate the exposure from derivatives, it is possible, where appropriate, to deviate from this limit. The limits to be observed in this case (including leverage) are set out in the Sub-Fund-specific annexes to the prospectus. The Company shall at all times observe the investment limits laid down in the regulations applicable in Luxembourg and in the circulars of the Luxembourg supervisory authority. When using derivatives and structured products, the Company shall also ensure that each Sub-Fund maintains sufficient liquidity. There must always be sufficient cash positions to cover all liabilities incurred by the Sub-Fund as a result of using derivatives.

These transactions include options on transferable securities and other financial instruments, futures and forwards, as well as swaps.

**In principle, OTC transactions may only be conducted with counterparties approved by the Board of Directors. The limits specified in Article 43 (1) of the 2010 Law of 10% of the net asset value for transactions with qualified credit institutions and a maximum of 5% in all other cases shall be observed in each case. Where there are plans to conduct OTC transactions with a counterparty, such counterparty must have concluded an ISDA master agreement.**

#### 3.4.2 DERIVATIVES TO HEDGE AGAINST CURRENCY RISKS

The Company may within the scope of the law, its implementing regulations and management practice, use investment techniques and financial instruments intended to provide protection against foreign exchange risks.

For example, the Company may enter into currency futures contracts, sell call options or acquire put options where such transactions are traded on a regulated market or take place within the framework of OTC contracts, provided that the counterparties in such transactions are first-class financial institutions specialising in such transactions. For the same purpose the Company may conclude currency futures contracts or swap currencies by private contract with a first class financial institution specialised in these types of transactions.

The Company shall enter into currency transactions exclusively to hedge against currency risk, which also includes currency risk in relation to the benchmark of a Sub-Fund. The Company may also conclude foreign currency futures or transactions for a Sub-Fund in order to fix an exchange rate for the planned purchase or sale of securities or to hedge the value of portfolio securities, denominated in a different currency, in another currency that is exposed to the same fluctuations. The Company can also conclude cross-hedging transactions between currencies that are provided for under the normal investment policy.

#### 3.4.3 TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT

“Efficient Portfolio Management Techniques” is understood to mean the use of the following techniques:

- Securities lending
- Repurchase agreements

- Reverse repurchase agreements

The Company does not use any of these techniques.

#### **3.4.4 COLLATERAL AND REINVESTMENT OF COLLATERAL**

The Company may demand the provision of collateral in connection with derivative OTC transactions in order to reduce its counterparty risk. The following section sets out the rules applied by the Company for the management of collateral for the respective Sub-Funds.

##### **General rules**

Collateral accepted by the Company for the individual Sub-Fund may be used to reduce the counterparty risk to which the Company is exposed if this meets the requirements listed in the applicable laws, provisions and circulars issued by the CSSF in particular with regard to liquidity, valuation, quality in terms of the solvency of issuers, correlations, risks in terms of the management of collateral and enforceability. In accordance with the ESMA guidelines 2012/832 and 2014/937, the Company ensures sufficient diversification across countries, markets and issuers in terms of collateral. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the UCITS receives from a counterparty of Efficient Portfolio Management Techniques and over-the-counter financial derivative transactions a collateral basket with a maximum exposure to a given issuer of 20% of its net asset value. When UCITS are exposed to different counterparties, the different collateral baskets should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-section, a UCITS may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU member states belong. These UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. The annex of the relevant Sub-Fund will state if a Sub-Fund is fully collateralised by securities issued or guaranteed by a EU member state. In this case, the annex will also state which EU member state, which local authorities or which public international body issued or guaranteed the securities which have been accepted as security for more than 20% of its net asset value.

##### **Amount of collateral**

The Company does not engage in techniques such as securities lending, repurchase agreements and reverse repurchase agreements; therefore the minimum requirements for collateral for this type of transaction do not apply pursuant to ESMA Guidelines 2014/937.

The Company only engages in OTC transactions on the condition that the default risk of the counterparty specified in Article 43 (1) of the 2010 Law may not exceed 10% of the net asset value for transactions with qualified credit institutions and 5% in all other cases. The extent of the counterparty risk is reduced by the collateral received and may not exceed the above limits. The Company will determine the necessary amount of collateral for derivative OTC transactions for the individual Sub-Fund in each case depending on the type and characteristics of the transactions carried out, the creditworthiness and identity of the counterparties and the individual market conditions, while complying with the above limits.

##### **Type of collateral and valuation discounts**

The Company accepts the following asset classes as collateral and for each asset employs a valuation discount in accordance with the range specified for each asset class:

- a) Cash (no valuation discount in principle if provided in the Sub-Fund currency; the valuation discount amounts to between 0.5% and 5% of the face value in the case of foreign currencies),
- b) Government bonds rated A- (S&P) or better, bonds issued or guaranteed by central banks and bonds issued or guaranteed by an EU member state or its public-sector

- entities, and bonds issued or guaranteed by a non-EU member state (valuation discount between 0.5% and 10% of the market value),
- c) Corporate bonds rated A- (S&P) or better (valuation discount between 5% and 20% of the market value),
  - d) Equities (valuation discount of between 20% and 75% of the market value).

Collateral received is valued on each Valuation Day, taking due account of valuation discounts. The valuation discount applied to bonds is normally higher the longer the remaining term to maturity or the time remaining until the regular yield adjustments. Shares are generally accepted as collateral only if they are included in relevant equity indices.

It is possible to accept transactions involving OTC derivatives without demanding collateral from the counterparty.

#### **Reinvestment of collateral**

Cash collateral accepted for the individual Sub-Fund may only be invested in liquid assets in accordance with the provisions of the Luxembourg law and the applicable provisions in particular of the ESMA Guidelines 2014/937, which were implemented through CSSF Circular 14/592. All reinvestment of cash collateral must be sufficiently diversified in terms of countries, markets and issuers, with maximum exposure to a specific issuer of 20% of the net asset value of the individual Sub-Fund.

Furthermore, the individual Sub-Fund may suffer losses due to the reinvestment of the cash collateral. Such losses may result from an impairment of the investments made using the cash collateral. An impairment of the investments made using the cash collateral may result in a reduction in the amount of collateral available for repayment by the individual Sub-Fund to the counterparty after completion of the transaction. In this instance the individual Sub-Fund is obliged to bear the difference in value between the collateral originally received and the amount actually available for repayment to the counterparty, resulting in a loss for the individual Sub-Fund.

## **4. COMPANY, GENERAL MEETING AND REPORTING**

### **4.1 THE COMPANY**

The Company is organised as an open-ended investment company (*société d'investissement à capital variable*) incorporated in the Grand Duchy of Luxembourg under the 1915 Law and qualifies as an undertaking for the collective investment in transferable securities under the 2010 Law. It was incorporated on 20 May 2015 by the issue of 500 accumulation Shares without par value at USD 100. The minimum capital of the Company is EUR 1,250,000, which has been reached within six months of the date of registration as a UCITS in the Grand Duchy of Luxembourg.

If the capital of the Company falls below two thirds of the legal minimum capital, the Board of Directors shall convene a general meeting of shareholders within 40 days, for which no quorum is required, at which the liquidation of the Company shall be proposed; this may be decided by a simple majority of the Shares present or represented.

If the capital of the Company falls below one quarter of the legal minimum capital, the Board of Directors shall, at a general meeting of shareholders to be convened within the same period and for which no quorum is required, submit a proposal to liquidate the Company; this may be approved by shareholders representing one quarter of the Shares present or represented at such meeting.

The Company is registered under B 197.037 in the Luxembourg Trade and Companies Register. The articles of incorporation were published in the "Mémorial" in Luxembourg on 3 June 2015. The Company has its registered office at 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg.

Each Sub-Fund is liable towards third parties with its own assets, only in respect of its own liabilities. As far as the relationship between shareholders is concerned, each Sub-Fund is treated as a separate entity and the liabilities of a Sub-Fund are attributed to that Sub-Fund in the net asset value calculation. Costs borne by the Company but which cannot be allocated to a single Sub-Fund will be charged to the individual Sub-Funds in proportion to their net assets.

The Board of Directors of the Company has appointed the Management Company named in section 2. "Organisation and management" to supervise and coordinate the activities of the Company. The Management Company shall supervise and coordinate the tasks assigned to the different service providers and ensure that an appropriate risk management method for the Company is used, in accordance with CSSF Circular 11/512.

Any voluntary or forced liquidation of the Company shall be effected in accordance with the provisions of Luxembourg law. Distribution of liquidation proceeds becoming available for remittance to the shareholders shall be effected pro rata to their Shares. Any liquidation proceeds that are not claimed by those entitled thereto at the close of liquidation shall be deposited at the *Caisse de Consignation* in Luxembourg pursuant to Article 146 of the 2010 Law and shall be forfeited after 30 years.

#### **4.2 GENERAL MEETING AND REPORTING**

The general meeting of shareholders of the Company will be held in Luxembourg each year at 11:00 on the last Friday in August. If this day is not a bank business day, the annual general meeting will be held on the next bank business day in Luxembourg. Other general meetings or general meetings relating to specific Sub-Funds may be held at such time and place as indicated in the notices to attend such meetings.

Notices of general meetings are given in accordance with Luxembourg law. Notices may be published in the "*Recueil électronique des sociétés et associations (RESA)*", in the "*Luxemburger Wort*" and in other newspapers in the countries where the Shares are registered for public offer and sale, as determined by the Company. Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements.

Other notices to shareholders may be published in countries where the Shares are authorised for distribution to the public.

Financial periods end on 30 April of each year. The annual report containing the audited consolidated financial accounts of the Company will be made available at its registered office at least 15 days before the annual general meeting. Unaudited semi-annual reports will be made available within two months of the relevant date. Copies of all reports are available at the registered office of the Company.

#### **4.3 DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company on normal bank business days in Luxembourg (i.e. each day on which banks are open during normal business hours):

- (a) the Management Company Services Agreement, the Depositary Bank and Principal Paying Agent Agreement, the Administration Agency Agreement, and the Domiciliary and Corporate Agency Agreement;
- (b) the articles of incorporation of the Company.

The agreements under (a) above may be amended by mutual consent of the parties thereto.

### **5. PARTICIPATION IN THE COMPANY**

#### **5.1 DESCRIPTION OF SHARES**

Shares of the Company have no par value and are issued in registered form and in fractions of registered Shares, rounded to three decimal places.

Ownership of registered Shares is evidenced by an entry in the Share register kept by the Company at its registered office in Luxembourg.  
 When the share classes of the Company's Sub-Funds are issued, the Board of Directors may decide to have them listed on the Luxembourg stock exchange.

The Company's articles of incorporation permit the issue of different share classes for each Sub-Fund. The Company may offer the following types of share classes:

P	<p>Shares of share classes with "P" in the name are offered to all investors.</p> <p>Min. initial subscription amount: none</p> <p>Taxe d'abonnement: 0.05% p.a.</p> <p>Max. issuing commission: 3%</p> <p>Max. redemption commission(*): none</p> <p>Max. redemption fee(**): see Sub-Fund's specific annex</p> <p>Max. annual service fee: 0.25% p.a.</p> <p>Max. management fee: see Sub-Fund's specific annex</p> <p>Performance fee: see Sub-Fund's specific annex</p>
C	<p>Shares of share classes with "C" in the name may only be purchased by financial intermediaries subscribing on behalf of investors domiciled or serviced in the European Economic Area (EEA) as well as by investors and financial intermediaries outside the EEA subscribing on the basis of a discretionary portfolio management or advisory mandate, provided a written agreement with the Management Company or the distributors is in place. The Board of Directors and the Management Committee of the Management Company may extend the list of eligible investor domiciles and admit other groups of investors at its own discretion.</p> <p>Min. initial subscription amount: none</p> <p>Taxe d'abonnement: 0.05% p.a.</p> <p>Max. issuing commission: 3%</p> <p>Max. redemption commission(*): none</p> <p>Max. redemption fee(**): see Sub-Fund's specific annex</p> <p>Max. annual service fee: 0.25% p.a.</p> <p>Max. management fee: see Sub-Fund's specific annex</p> <p>Performance fee: see Sub-Fund's specific annex</p>
I	<p>Shares of share classes with "I" in the name may only be purchased by institutional investors as referred to in Article 174(2)(c) of the 2010 Law. Shares of share classes with "I" in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase if the investor no longer meets the requirements for the share class with "I" in the name.</p> <p>Unless further specified in the table "Additional Characteristics" below a minimum initial subscription amount is required as follows:</p> <ul style="list-style-type: none"> <li>• CHF, USD, EUR and GBP: 1 million</li> <li>• AUD: 1.5 million</li> <li>• SEK: 10 million</li> <li>• NOK: 10 million</li> <li>• HKD: 8 million</li> <li>• SGD: 1.5 million</li> <li>• JPY: 100 million</li> </ul> <p>Above minimum initial investment amounts do not apply to J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or their subsidiaries or affiliated companies for subscriptions placed in the exercise of asset management mandates for their clients. The Board of Directors and the Management Committee of the Management Company may waive in their own discretion and under certain conditions the minimum initial subscription amounts for "I" share classes.</p>

	<p>Taxe d'abonnement: 0.01% p.a.  Max. issuing commission: none  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund's specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund's specific annex  Performance fee: see Sub-Fund's specific annex</p>
IZ	<p>Shares of share classes with "IZ" in the name may only be purchased by institutional investors as referred to in Article 174(2)(c) of the 2010 Law to whom the shares are offered solely by the Investment Manager of the Sub-Fund or by its appointed sub-distributor(s). Shares of share classes with "IZ" in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase if the investor no longer meets the requirements for the share class with "IZ" in the name.</p> <p>Unless further specified in the table "Additional Characteristics" below a minimum initial subscription amount is required as follows:</p> <ul style="list-style-type: none"> <li>• CHF, USD, EUR and GBP: 1 million</li> <li>• AUD: 1.5 million</li> <li>• SEK: 10 million</li> <li>• NOK: 10 million</li> <li>• HKD: 8 million</li> <li>• SGD: 1.5 million</li> <li>• JPY: 100 million</li> </ul> <p>The Board of Directors and the Management Committee of the Management Company may waive in their own discretion and under certain conditions the minimum initial subscription amounts for "IZ" share classes.</p> <p>Taxe d'abonnement: 0.01% p.a.  Max. issuing commission: none  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund's specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund's specific annex  Performance fee: see Sub-Fund's specific annex</p>
Y	<p>Shares of share classes with "Y" in the name may only be purchased by private investors who have concluded an asset management mandate with a business unit of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies.</p> <p>If the investor no longer meets the requirements for the share class with "Y" in the name, Shares of share classes with "Y" in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase. Min. initial subscription amount: none</p> <p>Taxe d'abonnement: 0.05% p.a.  Max. issuing commission: none  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund's specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund's specific annex  Performance fee: see Sub-Fund's specific annex</p>
M	<p>Shares of share classes with "M" in the name may only be purchased by institutional investors as referred to in Article 174(2)(c) of the 2010 Law that have concluded an asset management agreement or a special agreement for investment in Sub-Funds of the Company with a business unit of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies. Asset</p>

	<p>management and distribution costs are charged to investors in share class “M” in accordance with the aforementioned agreements. The competence for collection of relevant fees is expressly provided for in the agreements between the Management Company and the asset manager and between the Management Company and the bank. If the asset management contract or special agreement in question is terminated, Shares of share classes with “M” in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase.</p> <p>Min. initial subscription amount: none  Taxe d’abonnement: 0.01% p.a.  Max. issuing commission: none  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund’s specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund’s specific annex  Performance fee: see Sub-Fund’s specific annex</p>
BM-P	<p>Shares of share classes with “BM-P” in the name may solely be offered by the strategic distribution partner, Banca March S.A., its subsidiaries and branches and by its appointed sub-distributor(s) to all investors.</p> <p>Min. initial subscription amount: none  Taxe d’abonnement: 0.05% p.a.  Max. issuing commission: 3%  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund’s specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund’s specific annex  Performance fee: see Sub-Fund’s specific annex</p>
BM-I	<p>Shares of share classes with “BM-I” in the name may only be purchased by institutional investors as referred to in Article 174(2)(c) of the 2010 Law to whom the shares are offered solely by the strategic distribution partner, Banca March S.A., its subsidiaries and branches and by its appointed sub-distributor(s). Shares of share classes with “BM-I” in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase if the investor no longer meets the requirements for the share class with “BM-I” in the name.</p> <p>Unless further specified in the table “Additional Characteristics” below a minimum initial subscription amount is required as follows:  USD, EUR: 1 million  Taxe d’abonnement: 0.01% p.a.  Max. issuing commission: none  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund’s specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund’s specific annex  Performance fee: see Sub-Fund’s specific annex</p>
BM-X	<p>Shares of share classes with “BM-X” in the name may only be purchased by investors who have concluded a discretionary portfolio management or advisory mandate with the strategic distribution partner of the Management Company, Banca March S.A., its subsidiaries and branches. Shares of share classes with “BM-X” in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase if the investor no longer meets the requirements for the share class with “BM-X” in the name.</p> <p>Min. initial subscription amount: none  Taxe d’abonnement: 0.05% p.a.  Max. issuing commission: none  Max. redemption commission(*): none</p>

	<p>Max. redemption fee(**): see Sub-Fund's specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund's specific annex  Performance fee: see Sub-Fund's specific annex</p>
S	<p>Shares of share classes with "S" in the name may only be purchased by investors who have concluded an asset management mandate with Sarasin &amp; Partners LLP, London, or one of its branches, subsidiaries of affiliated companies.  Min. initial subscription amount: none  Taxe d'abonnement: 0.05% p.a.  Max. issuing commission: none  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund's specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund's specific annex  Performance fee: see Sub-Fund's specific annex</p>
E	<p>Shares of share classes with "E" in the name may only be purchased by certain clients at the discretion of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies. Such share classes may be issued for a limited period of time.  Min. initial subscription amount: none  Taxe d'abonnement: 0.05% p.a.  Max. issuing commission: 3%  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund's specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund's specific annex  Performance fee: see Sub-Fund's specific annex</p>
F	<p>Share classes with the "F" in the name are reserved for collective investment schemes that are managed directly or indirectly by the Company itself or a company to which it is related by virtue of common management or control or by a significant direct or indirect interest ("related target funds") or by another company of the Safra Group.  Min. subscription amount: none  Taxe d'abonnement: 0.01% p.a.  Max. issuing commission: none  Max. redemption commission: none  Max. redemption fee: see Sub-Fund's specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund's specific annex  Performance fee: see Sub-Fund's specific annex</p>
L	<p>Shares of share classes with "L" in the name are issued exclusively through authorised distributors domiciled in Italy.  Min. initial subscription amount: none  Taxe d'abonnement: 0.05% p.a.  Max. issuing commission: 3%  Max. redemption commission(*): none  Max. redemption fee(**): see Sub-Fund's specific annex  Max. annual service fee: 0.25% p.a.  Max. management fee: see Sub-Fund's specific annex  Performance fee: see Sub-Fund's specific annex</p>

(\*) In favour of the distributor.

(\*\*) In favour of the Sub-Fund to cover the transaction costs incurred as a result of Share redemptions.

**Additional characteristics:**

Currencies	Share classes may be denominated in CHF, USD, EUR, GBP, AUD, SEK, NOK, HKD, SGD and JPY.
„acc“	For share classes with „acc“ in the name, the Company does not pay out any dividends to shareholders. Income from these share classes is currently reinvested (accumulation).
„dist“	For share classes with „dist“ in the name, the Company pays out dividends pursuant to section 5.2 “Dividend Policy” of this prospectus.
„hedged“	For share classes with “hedged” in the name which are denominated in a currency other than the Accounting Currency of the Sub-Fund, currency transactions and currency futures contracts are entered into in order to largely hedge the net asset value of the Sub-Fund calculated in the Accounting Currency against the net asset value of the share classes denominated in other currencies (“net asset value hedge”). If the Reference Currency of a share class corresponds to the Accounting Currency of the Sub-Fund, the addition of “hedged” means that the currency risks of the investments are largely hedged against the Reference Currency. However, the possibility of currency fluctuations working to the disadvantage of the corresponding share classes of the individual Sub-Fund cannot be ruled out.
„H1“	For share classes with 'H1' in the name which are denominated in a currency other than the Accounting Currency of the Sub-Fund, currency transactions and currency futures contracts are entered into in order to hedge the Sub-Fund's investments against the accounting currency of the share class (“portfolio hedge”). The aim is to minimise the effect of currency movements between the portfolio's holdings and the relevant hedged share class denomination currency, with the exception of currencies where it is impractical or not cost effective to do so. However, the possibility of currency fluctuations working to the disadvantage of the corresponding share classes of the individual Sub-Fund cannot be ruled out.
“H2”	For share classes with 'H2' in the name which are denominated in a currency other than the Accounting Currency of the Sub-Fund, currency transactions and currency futures contracts are entered into in order to hedge a part of the Sub-Fund's investments against the accounting currency of the share class (“partial portfolio hedge”). The applicable hedge ratio will be disclosed in the relevant Sub-Fund specific annex. Furthermore, this type of share class may also be issued for Sub-Funds which invest across a range of asset classes and in which only the currency risks arising from fixed income investments (incl. money market instruments) are hedged (i.e. instead of the application of a fixed hedge ratio). The currency risks of fixed income investments typically account for a major part of their overall risk. The aim is to minimise the effect of currency movements between the portfolio's fixed income holdings and the relevant hedged share class denomination currency, with the exception of currencies where it is impractical or not cost effective to do so. However, the possibility of currency fluctuations working to the disadvantage of the corresponding share classes of the individual Sub-Fund cannot be ruled out.
USD (BRL hedged)	For share classes with “USD (BRL hedged)” in the name the Company intends to minimise the shareholder's currency risk by reducing the effect of exchange rate fluctuations between the BRL and the USD (“net asset value hedge”). The settlement currency for subscriptions and redemptions relating to the “USD (BRL hedged)” share classes is the USD. In accordance with the terms of the prospectus, the Net Asset Value of the “USD (BRL hedged)” share classes shall be published in USD.
USD (BRL H1)	For share classes with “USD (BRL H1)” in the name the Company intends to limit the shareholder's currency risk by reducing the effect of exchange rate fluctuations between the BRL and the portfolio's holdings (“portfolio hedge”). The settlement currency for subscriptions and redemptions relating to the “USD (BRL H1)” share classes is the USD. In accordance with the terms of the prospectus, the Net Asset Value of the “USD (BRL H1)” share classes shall be published in USD.

3	<p>For shares of share classes with “3” in the name a minimum initial subscription amount is required as follows:</p> <ul style="list-style-type: none"> <li>• CHF, USD, EUR and GBP: 3 million</li> <li>• AUD: 4.5million</li> <li>• SEK: 30 million</li> <li>• NOK: 30 million</li> <li>• HKD: 24 million</li> <li>• SGD: 4.5 million</li> <li>• JPY: 300 million</li> </ul>
10	<p>For shares of share classes with “10” in the name a minimum initial subscription amount is required as follows:</p> <ul style="list-style-type: none"> <li>• CHF, USD, EUR and GBP: 10 million</li> <li>• AUD: 15 million</li> <li>• SEK: 100 million</li> <li>• NOK: 100 million</li> <li>• HKD: 80 million</li> <li>• SGD: 15 million</li> <li>• JPY: 1 billion</li> </ul>
30	<p>For shares of share classes with “30” in the name a minimum initial subscription amount is required as follows:</p> <ul style="list-style-type: none"> <li>• CHF, USD, EUR and GBP: 30 million</li> <li>• AUD: 45 million</li> <li>• SEK: 300 million</li> <li>• NOK: 300 million</li> <li>• HKD: 240 million</li> <li>• SGD: 45 million</li> <li>• JPY: 3 billion</li> </ul>
50	<p>For shares of share classes with “50” in the name a minimum initial subscription amount is required as follows:</p> <ul style="list-style-type: none"> <li>• CHF, USD, EUR and GBP: 50 million</li> <li>• AUD: 75 million</li> <li>• SEK: 500 million</li> <li>• NOK: 500 million</li> <li>• HKD: 400 million</li> <li>• SGD: 75 million</li> <li>• JPY: 5 billion</li> </ul>

A list of available share classes of all Sub-Funds is given in the annex for the Sub-Fund in question and can be requested from the Company. They are also provided in the annual and semi-annual reports.

## 5.2 DIVIDEND POLICY

Each Share or fraction of a Share is entitled to a corresponding portion of the profits and the liquidation proceeds of the Company or the relevant Sub-Fund.

Every year, the Company intends to pay out at least 85% of the investment income, less general expenses (“Ordinary Net Income”), to shareholders holding Shares of distribution share classes in accordance with section 5.1 “Description of Shares”, as well as a portion of the realised capital gains, less realised capital losses (“Net Capital Gains”), such portion being decided by the general meeting of the relevant Sub-Fund, as well as all other extraordinary income. If the distributable profits of a Sub-Fund for a financial year fall below 1% of the net asset value of a Share at the end of the corresponding financial year and under EUR/CHF/USD/1, the Board of Directors of the Company may propose to the general meeting of shareholders to waive a distribution of dividends, in view of the considerable costs for the

Sub-Funds and the investors in the aforementioned distribution share classes related to a dividend distribution.

The Company does not pay out any dividends to shareholders holding Shares of accumulation share classes in accordance with section 5.1 "Description of Shares". Income from those share classes is currently reinvested (accumulation).

### **5.3 ISSUE AND SALE OF SHARES AND SUBSCRIPTION PROCEDURE AND REGISTRATION**

Unless otherwise specified in the corresponding annex for a particular Sub-Fund, Shares are offered for sale and issued on each Valuation Day after the initial offering date at the issue price applicable on the relevant issue date, provided the subscription request is received by the transfer agent no later than 12:00 Luxembourg time (the "Acceptance Cut-Off Time") on the Valuation Day.

Earlier acceptance closing times may apply to applications placed with distributors abroad in order to ensure punctual forwarding to the transfer agent. Information on these times is available at the respective distributor.

The issue price will always be determined after the Acceptance Cut-Off Time to ensure that investors subscribe on the basis of unknown prices. Subscription requests received by the transfer agent after the Acceptance Cut-Off Time shall be executed at the issue price applicable on the next Valuation Day.

Unless otherwise agreed in the specific annex of the Sub-Fund for a certain Sub-Fund, subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within 3 bank business days of the issue date.

Information about certain subscription periods that must be observed for subscribing for Sub-Funds is contained in the annex for each Sub-Fund.

The issue price per share and share class is calculated on the basis of the net asset value per share and share class applicable on the issue date, plus, unless otherwise disclosed in the specific Sub-Fund's annex an issue commission and, if applicable, possible dilution protection for the benefit of the individual Sub-Fund. The maximum issue commission and dilution protection, where levied, are listed in the respective annexes to this prospectus.

A fee for the prevention of dilution (dilution protection) may be levied in the following instances:

- Where net subscriptions and redemptions for all share classes on an order day exceed the percentage of the Sub-Fund's net assets specified by resolution of the Board of Directors, the net asset value of all share classes may be increased by a certain percentage in the event of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions.
- Similarly, in the event of adverse market conditions (e.g. increased volatility on markets, increased bid/ask spreads, decline in volumes traded), the net asset value for all share classes can be increased by a certain percentage in the case of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions, even if net subscriptions and redemptions for all share classes on a particular order day do not exceed the percentage of the Sub-Fund's net assets specified by resolution of the Board of Directors.

This fee, which is credited to the Sub-Fund concerned, will be used to cover transaction costs (including bid/ask spreads) with the aim of protecting existing/remaining investors from any dilutive effect. Information about whether dilution protection is used, and about the maximum level of dilution protection, is contained in the annex for each Sub-Fund.

Further information on the issue price may be requested from the registered office of the Company and/or from any distributor.

In the case of large subscriptions, the distributors and the Company may waive, in whole or in part, the issue commission to which they are entitled.

Subscription requests may be sent to the Management Company or to any other distributor, which will transmit these to the Company, or may be sent directly to the transfer agent in Luxembourg. The proper identity of the subscriber and the relevant Sub-Fund(s) and share class must be indicated. In addition, the provisions of section 5.10 "Unfair trading practices - Prevention of money laundering" must be observed. The issue price must be paid in the Accounting Currency of the relevant Sub-Fund. If subscription monies are transferred in currencies other than the respective Accounting Currency, the investor bears both the corresponding costs and the exchange rate risk and currency risk linked to the currency conversion carried out by the paying agent or Depositary.

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

Investors may also subscribe Shares as part of a regular savings plan, by paying regular instalments of a fixed amount. The savings plan is offered by Bank J. Safra Sarasin AG, Basel, and marketed through selected, but not all, distributors. Investors can obtain the terms and conditions of the savings plan from Bank J. Safra Sarasin AG, Basel.

Additional points to note:

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

The Company has the right to reject any request without reason. It reserves the right, in response to the conditions prevailing on the stock exchanges or currency markets or for any other reasons, to suspend the public sale of its Shares. In both cases, any payments already made and/or positive balances will be returned to the subscribers.

#### **5.4 REDEMPTION OF SHARES**

Unless otherwise specified for a particular Sub-Fund, requests for the redemption of Shares must be submitted by shareholders in writing directly to the transfer agent no later than 12:00 Luxembourg time (the "Redemption Cut-Off Time") on the Valuation Day when the Shares are to be redeemed. Requests received by the transfer agent after the Redemption Cut-Off Time shall be executed on the next Valuation Day.

A redemption request duly made shall be irrevocable, except in case of and during any period of suspension or deferral of redemptions.

Information about certain redemption periods that must be observed for redeeming Shares of a Sub-Fund is contained in the annex for each Sub-Fund.

The price to be paid in respect of each Share submitted for redemption (the “Redemption Price”) will be the net asset value per share and share class on the Valuation Day of the relevant Sub-Fund, less a fee in favour of the Sub-Fund to cover the costs of selling portfolio securities to procure liquidity to meet redemption requests, that will be equally processed on the Valuation Days. The maximum redemption fee and dilution protection can be found in the respective annexes to this prospectus.

A fee for the prevention of dilution (dilution protection) may be levied in the following instances:

- Where net subscriptions and redemptions for all share classes on an order day exceed the percentage of the Sub-Fund’s net assets specified by resolution of the Board of Directors, the net asset value of all share classes may be increased by a certain percentage in the event of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions.
- Similarly, in the event of adverse market conditions (e.g. increased volatility on markets, increased bid/ask spreads, decline in volumes traded), the net asset value for all share classes can be increased by a certain percentage in the case of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions, even if net subscriptions and redemptions for all share classes on a particular order day do not exceed the percentage of the Sub-Fund’s net assets specified by resolution of the Board of Directors.

This fee, which is credited to the Sub-Fund concerned, will be used to cover transaction costs (including bid/ask spreads) with the aim of protecting existing/remaining investors from any dilutive effect. Information about whether dilution protection is used, and about the maximum level of dilution protection, is contained in the annex for each Sub-Fund.

In the event of a suspension of the calculation of the Net Asset Value or a deferral of redemptions, Shares shall be redeemed on the next Valuation Day following the end of the suspension of the Net Asset Value calculation or the end of the deferral of redemptions, unless the redemption request has been withdrawn in writing prior thereto.

Unless otherwise stated in the annex for a particular Sub-Fund, payments will ordinarily be made in the currency of the relevant Sub-Fund within three business days of the relevant Valuation Day. If payments are transferred in a currency other than the respective Accounting Currency, the investor bears both the corresponding costs and the exchange rate risk and currency risk linked to the currency conversion carried out by the paying agent or Depositary. In the case of redemptions, should the liquidity of the investments of a Sub-Fund not be sufficient to make the payment within this period due to exceptional circumstances, the payment shall be made as soon as possible, without interest. When making the transfer, is it possible that correspondent banks may levy charges on the transaction.

The conversion of Shares of a Sub-Fund shall in this respect be considered as a redemption of Shares. If on any Valuation Day the Company receives redemption or conversion requests for more than 10% of the Shares, the Company may defer redemptions or conversions. The subscriber will be informed forthwith of any suspension of the calculation of the net asset value or of a deferral of redemptions or conversions and he is entitled in such case to withdraw his request.

The value of Shares at the time of their redemption may be more or less than their acquisition cost. Any Shares redeemed will be cancelled.

The last known Redemption Price may be requested at the registered office of the Company or from any distributor.

In special cases, at the request of or with the consent of the shareholder, the Redemption Price can be paid by means of a distribution in kind (payment in kind), whereby the equality of shareholders must be ensured. The costs arising from a payment in kind are billed to the relevant shareholder.

## 5.5 CONVERSION OF SHARES

Shareholders of each Sub-Fund are entitled to convert some or all of their Shares into Shares of another Sub-Fund or from one share class into another share class of the same Sub-Fund on any day which is a Valuation Day for both of the Sub-Funds concerned, provided they meet the requirements of the share class to which they wish to change. Requests should be made to one of the distributors or the transfer agent. The request must include the following information: the number of Shares, the name of the existing Sub-Fund (including share class) and the new Sub-Fund (including share class) and, if allocating Shares to more than one new Sub-Fund, the respective proportions to be invested in each Sub-Fund.

Unless specific subscription and redemption periods have to be observed for the subscription and redemption of Shares of a Sub-Fund, information is contained in the annex for each Sub-Fund and is also generally observed when the Shares are converted. If the period for subscriptions and redemptions is not the same, then the longest period of the two applies for both subscriptions and redemptions.

Unless otherwise specified in the corresponding annex for a particular Sub-Fund, Shares may be converted on each Valuation Day at the issue price applicable on such day, provided that the conversion request is received by the transfer agent by 12:00 Luxembourg time on the Valuation Day. Conversion orders received by the transfer agent after the cut-off time shall be executed on the next Valuation Day. The basis for conversion is related to the respective net asset value per share of the Sub-Fund concerned. The Company will determine the number of Shares into which a shareholder intends to convert his existing Shares in accordance with the following formula:

$$A = \frac{(B \times C) \times F - \text{max. } 3\%}{D}$$

A = the number of Shares of the new Sub-Fund or share class to be issued;

B = the number of Shares of the former Sub-Fund or share class;

C = the Redemption Price per share of the former Sub-Fund in the corresponding share class, less redemption fees, if deducted;

D = the net asset value per share of the new Sub-Fund in the corresponding share class, plus any fees for reinvestment, if charged;

F = exchange rate.

Redemption fees and/or fees for reinvestment on a Valuation Day depend on the status of liquidity of the corresponding Sub-Fund(s) and shall not exceed 3%. Where applicable, they shall be charged on a Valuation Day in the same way for all requests processed at that time.

A fee for the prevention of dilution (dilution protection) may be levied in the following instances:

- Where net subscriptions and redemptions for all share classes on an order day exceed the percentage of the Sub-Fund's net assets specified by resolution of the Board of Directors, the net asset value of all share classes may be increased by a certain percentage in the event of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions.
- Similarly, in the event of adverse market conditions (e.g. increased volatility on markets, increased bid/ask spreads, decline in volumes traded), the net asset value for all share classes can be increased by a certain percentage in the case of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions, even if net subscriptions and redemptions for all share classes on a particular order day do not exceed the percentage of the Sub-Fund's net assets specified by resolution of the Board of Directors.

This fee, which is credited to the Sub-Fund concerned, will be used to cover transaction costs (including bid/ask spreads) with the aim of protecting existing/remaining investors from any dilutive effect. Information about whether dilution protection is used, and about the maximum level of dilution protection, is contained in the annex for each Sub-Fund.

## **5.6 CLOSURE AND MERGER**

In the event that the net asset value of all outstanding Shares of a specific Sub-Fund falls below EUR 20 million or the equivalent amount in the currency of the Sub-Fund in question for whatever reason, or where it considers it appropriate due to changes in the economic or political situation which have implications for the Sub-Fund concerned, or on the basis of the interests of the shareholders involved, the Board of Directors may decide, and notify the holders of Shares in the relevant Sub-Fund accordingly, to redeem all of the Shares of the relevant Sub-Fund at the net asset value applicable on a given Valuation Day after written notice is given (less liquidation costs and/or the estimated dealing costs as described in the prospectus) without charging a redemption fee.

The closure of a Sub-Fund with compulsory redemption of all relevant Shares for reasons other than those referred to above may only be effected with the approval of the shareholders of the Sub-Fund concerned. For this, a duly convened meeting of the shareholders of this Sub-Fund is required. It may be validly held without quorum and a decision taken on the basis of the simple majority of the Shares present or represented.

Liquidation proceeds not claimed by shareholders at the close of liquidation of a Sub-Fund shall be deposited at the “*Caisse de Consignation*” in Luxembourg and shall be forfeited after 30 years.

The Board of Directors may furthermore, in compliance with the 2010 Law, merge the assets of a Sub-Fund with another of the Company’s Sub-Funds or with the assets of another UCITS (which is registered in Luxembourg or in another EU member state and has been set up either as an investment company or as a common fund – “*fonds commun de placement*”), or with the assets of a sub-fund of another such UCITS. The Company will inform the investors in the Sub-Funds in question accordingly in compliance with the 2010 Law and CSSF Regulation 10-5. Any investor in the Sub-Funds concerned may demand the redemption or conversion, without charge (except selling costs), of his or her Shares for a period of at least 30 days before the effective date of the merger, with the merger then taking effect five working days after the end of this period.

Any merger that will result in the Company as a whole ceasing to exist must be resolved upon by the shareholders of the Company. A general meeting convened for this purpose will not be subject to any quorum requirements and may adopt such a resolution with a simple majority of the votes represented and cast at that meeting.

## **5.7 CALCULATION OF THE NET ASSET VALUE**

The net asset value of the Company’s assets (the “Net Asset Value”) and the net asset value per share of each share class of each Sub-Fund will be determined in the relevant currency on each day banks are open for business in Luxembourg and any other location if and as specified in the annexes to the prospectus for the individual Sub-Funds (hereinafter the “Valuation Day”), except in the event of a suspension as described in section 5.8 “Suspension of the calculation of the Net Asset Value and of the issue, redemption and conversion of Shares”, by the domiciliary agent entrusted with the central administration in Luxembourg, under the supervision of the Board of Directors or its delegate.

A Sub-Fund’s net asset value will not be calculated on days when the stock exchanges or markets in that Sub-Fund’s main investment countries are closed or 50% or more of the Sub-Fund’s investments cannot be adequately valued (e.g. bank and stock exchange holidays, Saturdays, Sundays and Luxembourg public holidays). The total net asset value represents the market value of all the assets, less liabilities. Furthermore the net asset value will not be calculated on specific national holidays of countries, where Investment Managers (as

disclosed in the Sub-Fund-specific annexes to the prospectus) are located and services are being provided.<sup>2</sup>

The net asset value per share of each share class of each Sub-Fund will be calculated in respect of any Valuation Day in the currency of the relevant Sub-Fund, by dividing the total net asset value of the relevant Sub-Fund by the number of Shares outstanding in each share class. An income equalisation is performed for each Sub-Fund.

If the sum of all subscriptions and/or redemptions of all the share classes of a Sub-Fund results in a net capital inflow or outflow, the net asset value of the Sub-Fund in question may be increased or reduced on this trading day (so-called single swing pricing). The net asset value may not be adjusted by more than 3%. The percentage to be applied to individual Sub-Funds shall be defined by a committee determined by the Board of Directors. This adjustment leads to an increase in the net asset value if the net movements lead to an increase in the number of Shares of the Sub-Fund in question. It results in a reduction of the net asset value if the net movements lead to a reduction in the number of Shares. The Board of Directors may determine a threshold for each Sub-Fund. This threshold may be derived from the net movements on a given trading day relative to the Sub-Fund's net assets or an absolute amount in the currency of the respective Sub-Fund. The net asset value would therefore not be adjusted unless this threshold is breached on any given trading day. The assets shall be valued as follows, in accordance with the valuation principles and guidelines (the "Valuation Principles") laid down in the articles of incorporation, approved by the Board of Directors and amended from time to time by the same:

- (a) The value of all securities that are listed on an official exchange shall be determined on the basis of the closing prices on the Valuation Day. If the securities are listed on more than one exchange, the value of such securities shall be determined on the basis of the closing prices on the exchange on which the Sub-Fund acquired them.  
In the case of securities whose trading volume on an exchange is minimal, whose last available closing price is not representative of their value and for which a secondary market among securities brokers exists, on which fair market prices are offered, the Board of Directors may value such securities on the basis of prices so determined.
- (b) Securities traded on a regulated market are valued in the same manner as listed securities.
- (c) Securities which are not listed on an official stock exchange or traded on a regulated market are valued at the last known market price; if no such price is available, these securities shall be valued in accordance with Valuation Principles decided by the Board of Directors of the Company on the basis of their foreseeable sale prices.
- (d) Term deposits shall be valued at their nominal value increased by accrued interest.
- (e) Shares/units issued by open-ended investment funds shall be valued at their most recent available net asset value or, in accordance with (a) above, at their price at their place of listing.
- (f) The sale price of forward, futures and options contracts that are not traded on an exchange or other organised market (forwards) will be valued according to guidelines laid down by the Board of Directors, with the same method being used for all contracts. The sale value of forward, futures and options contracts that are traded on an exchange or other organised market (futures) will be determined on the basis of the last available settlement price for these contracts on exchanges or organised markets on which forward, futures or options contracts of this kind are traded; however, the sale value of such contracts that are not sold on a business day for which a net asset value is calculated will be determined on the basis of the value regarded by the Board of Directors as appropriate and adequate.

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<sup>2</sup> The specification that the net asset value will not be calculated on specific national holidays of countries, where the investment managers of the relevant sub-funds are located and services being provided will be applicable as of 1 April 2021.

- (g) Liquid assets and money market instruments can be valued at their nominal value plus accrued interest or in consideration of scheduled amortisation of historical costs. The latter method can lead to temporary discrepancies between values and the prices that the fund in question would receive on selling the investment. The Company shall constantly review this valuation method and recommend any necessary changes to ensure that the valuation of these assets results in an appropriate value that can be determined in good faith according to the procedures laid down by the Board of Directors. If the Company takes the view that deviation from the scheduled amortisation of historical costs per share would lead to considerable dilution or other undesired effects for shareholders, it must make any corrections it considers appropriate to avoid or restrict dilution or other undesired effects, where this is possible and reasonable.
- (h) Swap transactions shall be regularly valued on the basis of the valuations received from the swap counterparties. These values can be bid, ask or mid prices, as determined in good faith according to the procedures laid down by the Board of Directors. If the Board of Directors does not believe that these values represent the real market value of the swap transactions in question, their value shall be determined in good faith by the Board of Directors or according to another method that the Board of Directors deems appropriate.
- (i) All other securities and approved assets, and those aforementioned assets for which valuation was not possible according to the provisions above or where such valuation would not reflect their fair value, shall be valued at their fair market value, determined in good faith according to methods laid down by the Board of Directors.
- (j) Shares or units of other undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCI) are valued at their last known net asset value. In addition, shares or units of other UCITS and UCIs may be valued on the basis of an estimated net asset value of such shares or units. No adjustment is made if there are discrepancies between the estimated and the actual net asset value of the Target Funds, which is only obtainable after the calculation date of the net asset value of the Sub-Fund.
- (k) The valuations arrived at in this way shall be converted into the Accounting Currency at the appropriate mid price. Forward and futures contracts concluded to hedge against currency risk shall be included in the conversion.

#### **5.8 SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND OF THE ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The Company may temporarily suspend the calculation of the net asset value of any Sub-Fund and the issue, redemption and conversion of Shares of the relevant Sub-Fund in the following cases:

- (a) during any period when any securities market or stock exchange on which a substantial part of the securities attributable to any Sub-Fund are traded is closed (otherwise than for ordinary holidays) or during which dealings are substantially restricted or suspended;
- (b) during the existence of any state of affairs which constitutes an emergency as a result of which the sale or valuation of assets owned by the Company and attributable to any Sub-Fund would, in the opinion of the Board of Directors, be impracticable or unfair towards the remaining shareholders of the relevant Sub-Fund;
- (c) during any breakdown or restriction of the use of the means of communication normally employed in determining the price or value of any of the securities attributable to any Sub-Fund;
- (d) during any period when the Company is unable to transfer monies for the purpose of making payments on the redemption of Shares or during which any transfer of monies involved in the purchase or sale of investments cannot in the opinion of the Board of Directors be effected at normal exchange rates;
- (e) in case of a decision to liquidate the Company and/or a Sub-Fund, on or after the day of publication of the first notice convening the general meeting of shareholders for this

- purpose or following the resolution of the Board of Directors from the day of announcement of the liquidation;
- (f) in the event that a decision is taken to merge a Sub-Fund or the Company, where this is justified in order to protect the interests of the investors;
  - (g) in the case of a feeder Sub-Fund, if the calculation of the net asset value, the issue, redemption or conversion of shares of the master are suspended;
  - (h) in the case of a Sub-Fund that invests exclusively in Target Funds, if the calculation of the net asset value, the issue, redemption or conversion of a substantial portion of the Target Funds is suspended;
  - (i) if, due to unforeseen circumstances, a large number of redemption applications have been received and, in the view of the Board of Directors, the interests of the shareholders remaining in the Sub-Fund are thereby endangered; or

the articles of incorporation provide that the Company shall suspend the issue, redemption and conversion of the Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority. Shareholders who have submitted Shares for redemption or conversion will be notified of the suspension in writing within seven days, and informed immediately when the suspension is lifted.

#### **5.9 DISTRIBUTION OF SHARES**

The Management Company may appoint distributors to sell Shares of one or more Sub-Funds of the Company. The names and addresses of these distributors can be obtained on request. Where subscriptions are made through the distributors, the latter are entitled to charge an issue commission plus any costs associated with distribution. The distributors are entitled to an issuing commission for the Shares distributed by them, which may be waived in whole or in part.

#### **5.10 UNFAIR TRADING PRACTICES – PREVENTION OF MONEY LAUNDERING**

Subscriptions and redemptions should only be made for investment purposes. The Company does not allow any market timing or other excessive trading practices. Such practices may harm the performance of the Company and its Sub-Funds and interfere with asset management. To minimise such negative consequences, the Company reserves the right to reject subscription or conversion requests from investors who, in the view of the Company, engage or have engaged in such trading practices, or whose trading practices are detrimental to other investors.

The Company may also proceed with the compulsory redemption of the Shares of an investor who engages or has engaged in these trading practices. The Company is not liable for any gain or loss incurred from rejected investment instructions or compulsory redemptions.

The Company reserves the right to reject any request or to accept any request in part only.

If a request is rejected in whole or in part, the subscription amount or the corresponding balance will be returned to the first named subscriber at the risk of the person(s) entitled thereto within 30 days of the decision to reject the request. The Company reserves the right to withhold any excess subscription monies until the funds have cleared.

In particular, financial institutions based in Luxembourg are obliged to verify the identity of their clients or the investors/beneficial owners of an investment fund. The Luxembourg laws and measures resulting therefrom serve to prevent money laundering.

The Company is therefore entitled to defer acceptance of a request until it has received the requested information on investors' identities, the beneficial entitlement of the investor and on the origin of the monies.

In particular in the case of:

- (a) direct investments; or
- (b) investments made through a broker or financial intermediary domiciled in countries where the requirements for identification are not as strict as those imposed by

Luxembourg law, the Company reserves the right to ask every investor to prove his identity by producing the following documents:

- for a natural person: a certified copy (authenticated by the police, local authority, embassy, etc.) of his passport or ID card; confirmation of the beneficial owner(s);
- for a legal entity: a certified copy of the official documents (articles of incorporation, extract from the commercial register, balance sheets); identification documents and authorised signatories of the company and the representatives; confirmation of the beneficial owner(s).

The Company is also obliged to verify the origin of the monies that emanate from a financial institution that is not subject to the Luxembourg equivalent identification rules.

Pursuant to Article 3 (2) (d) of the law of 12 November 2004 on the fight against money laundering and terrorist financing the Company is obliged to conduct an ongoing monitoring of the business relationship with the shareholders of the Fund. Ongoing monitoring includes, inter alia, the obligation to verify and, where appropriate, to update, within an appropriate timeframe, the documents, data or information gathered while fulfilling the customer due diligence obligations. The Company may only be in a position to fulfil its legal obligation to conduct an ongoing monitoring of the business relationship with the shareholders of the Fund if the shareholders will provide the Company with the relevant information and documents in order to verify and, where appropriate update collected data. In case of any lack of cooperation of a shareholder, the Company would be obliged to block such shareholder's account until the receipt of the information and documents required by the Company. Any costs (including account maintenance costs) which are related to non-cooperation of such shareholder will be borne by the respective shareholder.

#### **5.11 CONFIDENTIALITY, DATA PROCESSING AND PROFESSIONAL SECRECY**

The Fund, the Management Company, the registrar or any other agent used by them agree to keep all information concerning the investor(s) confidential unless required to disclose such information to third parties by applicable law or by formal instruction of the investor(s) or as further described in this section.

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

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

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

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

Personal Data supplied by the investor is processed in order to enter into and execute the subscription in the Fund, for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller. In particular, the Personal Data supplied by the investor is processed for the purposes of (i) subscribing in the Fund, (ii) maintaining the Shares register; (iii) processing investments and withdrawals of and payments of dividends to the investor; (iv) account administration and (v) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations. In addition, Personal Data may be processed for the purposes of marketing. Each investor has the right to object to the use of his/her/its Personal Data for marketing purposes by writing to the Data Controller. In this event the Personal Data processed for Marketing Purposes will be deleted by the Management Company. The retention period for Personal Data processed for (v) is 5 years as of the end of the relationship and in cases (i) to (iv) 10 years as of the end of the relevant calendar year.

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

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

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax authorities (including for compliance with the FATCA/CRS obligations).

In accordance with the conditions laid down by the Data Protection Law, the investor acknowledges his/her/its right to:

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

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

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

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

## **6. FEES, EXPENSES AND TAX CONSIDERATIONS**

### **6.1 FEES AND EXPENSES**

The Company shall pay the following fees (as percentages of the Net Asset Value) for services under the Depositary Bank and Principal Paying Agent Agreement to RBC Investor Services Bank S.A.:

Depositary fees: max. 0.1% p.a. In addition, the Depositary shall be entitled to reimbursement of the fees and expenses of the collective custodians and foreign correspondent banks it uses. The fees are payable quarterly in arrears.

Furthermore, the Company will pay the fees of the Management Company (i.e. management fees and service charges) and additionally all other expenses incurred in connection with the operation of the Company, including (without limitations) taxes, expenses for legal and auditing services, costs of printing proxies for the convening of the general meeting, financial reports, prospectuses and costs of the preparation and printing KIIDs, other promotional and marketing expenses, any expenses incurred for the issue and redemption of Shares including costs to be paid to ensure sufficient liquidity in order to meet redemption requests, expenses incurred for the payment of dividends, costs of the paying agents, registration fees and other expenses incurred in connection with reporting to supervisory authorities in various jurisdictions, the fees and out-of-pocket expenses of directors of the Company, insurance, interest, listing and brokerage costs, out-of-pocket disbursements of the Depositary and of all other agents of the Company as well as the costs of publishing the net asset value per share and the issue price. The fee in favour of the Management Company is indicated in the annexes to the prospectus for the individual Sub-Funds.

The Management Company may opt to waive part of the fee to which it is entitled in favour of the distributor. Payments may be made to the distributor out of the Management Company fee.

The Management Company, investment managers and investment advisers/advisory boards are entitled to a fee. The (sub)investment managers and investment advisers/ advisory board are remunerated from the management fee.

All fees, costs and expenses to be borne by the Company will be charged initially against investment income and thereafter against capital. Details of the fees payable to the Management Company can be found in the annexes for the individual Sub-Funds. The Company can make direct payments of the investment manager/investment adviser's fee, which shall be deducted from the remuneration of the Management Company.

The Company is not bound to use one or more brokers selected in advance for the implementation of any stock exchange transaction by the Sub-Funds. The same applies for other legal transactions related to the implementation of the investment policy.

The Company is aware that, in accordance with general principles for optimisation of the net results generally applied in the marketplace, securities transactions may be implemented with the investment advisers or with undertakings affiliated to these, provided that their business terms shall be comparable to those of other brokers or traders.

### **6.2 TAX CONSIDERATIONS**

The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein.

## **The Company**

The Company is exempt from Luxembourg corporation, trade and wealth tax. The Company is, however, subject in Luxembourg to an annual subscription tax (*taxe d'abonnement*) of 0.05% on the net assets corresponding to share classes with 'P', 'C', 'Y' and 'L' in the name, and annually 0.01% on the net asset value corresponding to share classes with 'I' and 'M' in the name. This subscription tax is payable quarterly on the basis of the Net Asset Value at the end of each quarter.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the capital gains of the assets of the Company.

Income received by the Company (in particular interest and dividends) in the countries in which the investments are made may, however, be subject to foreign withholding taxes, which are normally not recoverable.

For the purpose of Luxembourg VAT, the Company is treated as a taxable person with no entitlement to deduct input tax. However, services relating to the management of the Company (fund management services) are exempt from VAT in Luxembourg. Other services additionally provided to the Company may in principle incur a VAT liability, which if applicable then makes it necessary for the Company to be registered with the Luxembourg VAT authorities in order to comply with the VAT self-assessment requirement that applies to the purchase of VAT-liable services (also supplies in some cases) from abroad.

Payments by the Company to its shareholders are irrelevant for VAT purposes in principle, provided the payments relate to the purchase and holding of the Shares and do not constitute a consideration for services rendered.

## **Shareholders**

In accordance with the legal situation applying in Luxembourg at the date of publication of this prospectus, shareholders who are not – and have never been – resident in Luxembourg for tax purposes and who do not have a place of business or a local representative there are not subject to capital gains, income or withholding tax in Luxembourg.

In accordance with currently applicable Luxembourg tax law, distributions by the Company or its Luxembourg paying agent to the shareholders are not subject to withholding tax.

The tax considerations presented in this prospectus are not exhaustive. The legal situation presented herein is only a general overview of taxation and refers to the legal position in December 2016.

Details of particularities to be observed in individual cases cannot be given; specific statements regarding the taxation of individual shareholders cannot be made. Due to the complexity of the tax systems of the individual distribution countries, shareholders are advised to consult their tax adviser regarding the taxation of their shareholdings and to take advice specifically relating to their personal circumstances.

## **6.3. EXCHANGE OF INFORMATION**

### **Common Reporting Standard**

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

Under the terms of the CRS-Law, the Company may be required to annually report to the LTA, the name, address, Member State(s) of residence, TIN(s), as well as the date and place of

birth of i) each Reportable Person that is an Account Holder within the meaning of CRS-Law, ii) and, in the case of a Passive NFE within the meaning of the CRS-Law, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the LTA to foreign tax authorities.

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

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

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

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

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

## **FATCA**

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

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

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

FATCA and the IGA may result in the obligation for the Company to disclose the name, address and taxpayer identification number (if available) of the investor as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities (administration des contributions directes) under the terms of the

IGA. Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

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

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

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

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

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

## B. THE SUB-FUNDS

### JSS Global Allocation

<b>General information</b>	<p>The Shares of JSS Global Allocation have been issued for the first time on 13 November 2015. As of 01.04.2021 the name of the Sub-Fund will be changed to JSS Sustainable Multi Asset – Global Income.</p>
<b>Investment objective</b>	<p>The Sub-Fund seeks long term capital growth by investing in various asset classes with a flexible asset allocation approach. The Reference Currency of the Sub-Fund is the US dollar (USD).</p> <p>The Reference Currency does not need to be identical to the Investment Currency.</p>
<b>Investment policy</b>	<p>The assets of JSS Global Allocation are invested worldwide primarily in equities (min. 25%) and fixed income and money market instruments. The Sub-Fund may also invest part of its assets in convertible bonds and bonds with warrants, fixed or floating rate securities (including zero bonds) as well as in warrants and comparable assets.</p> <p>When choosing investments, various factors are considered, including opportunities for equity or debt investments to increase in value, expected dividends and interest rates. The Sub-Fund generally seeks diversification across markets, industries and issuers as one of its strategies to reduce volatility. The Sub-Fund has the flexibility to look for investments in markets around the world, including emerging markets, that will provide the best asset allocation to meet the Sub-Fund's objective. At any given time the Sub-Fund may emphasize either fixed income and money market instruments or equity securities. The fund employs a flexible asset allocation approach whereby up to 90% of the funds' assets may be invested in either of the asset classes at a given time. Direct investments in equity securities are at least 25% of the Sub-Fund's asset, but exposure towards equity securities can be reduced to minimal 10% of the Sub-Fund's asset using the investment techniques and instruments described in section 3.4 "Use of derivatives and techniques and instruments".</p> <p>Direct or indirect investments in equities may include: i.a. common stock, preferred stock, securities convertible into common stock, rights and warrants or</p>

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securities or other instruments whose price is linked to the value of common stock.

As of 01.04.2021, the investment policy will be specified as follows:

*The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9.*

*Investments in securities shall only comprise securities issued by countries, organisations and companies making a contribution towards sustainable business practices. These institutions are distinguished by the fact that they make the lowest possible and most efficient use of environmental and social resources. The Sub-Fund integrates social and governance aspects (ESG or sustainability) along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The Sub-Fund seeks to mitigate risks and harness opportunities that derive from megatrends in sustainability (such as resource scarcity, demographic transition, climate change, accountability etc.).*

*To this effect, the Sub-Fund systematically excludes issuers exposed to controversial activities as detailed by the “JSS standard exclusions” as described in chapter 3.1.*

*The Sub-Fund is subject to a universe construction process which systematically assesses the Sustainability ratings of issuers by using J. Safra Sarasin’s proprietary and trademarked Sustainability Matrix. The Sustainability Matrix visualizes the investment manager’s proprietary ESG ratings of issuers which are derived from ESG data provided by external data providers. A worst-out or negative ESG screening approach is then used to eliminate the weakest ESG performers. The expectation is that this process reduces the global investment universe of all issuers for which data is available by roughly 15%.*

*In addition, the investment manager uses proprietary bottom-up investment research where ESG factors are embedded. The portfolio manager enhances the financial assessment with ESG, SDGs, climate and other sustainability performance data to get a holistic*

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*view of the investment case in order to make a better informed decision.*

*The ESG portfolio reporting framework provides a relative and absolute assessment of the aggregate portfolio ESG performance on a range of financially-material ESG metrics. These ESG metrics are reviewed and discussed within the investment risk governance of the investment manager. Compliance with the ESG criteria is monitored independently and on an ongoing basis.*

*Engagement with issuers is performed on an ongoing basis and provides an opportunity to improve the investment manager's understanding of investee companies. By working individually or collaboratively with other investors the investment manager aims to influence companies and promote sustainable growth.*

*On Proxy Voting, the investment manager has its own customized guidelines that reflect the overall sustainable investment approach and research methodology and systematically incorporates ESG considerations identified through internal and external research.*

*In order to ensure that the Sub-Fund's screening criteria are applied on an ongoing basis and remain in line with market developments, an interdisciplinary advisory board assists the investment manager with regard to the concept, selection criteria and definition of excluded activities. It discusses new scientific and social findings with the investment manager. The advisory board has no decision-making powers.*

Until 31.03.2021:

The Sub-Fund may buy fixed income and money market instruments of varying maturities, fixed income investments paying a fixed or fluctuating rate of interest, fixed income investments convertible into equity securities, inflation-indexed bonds, structured notes, credit-linked notes or fixed income investments of any kind.

It is permitted to invest up to 10% of the Sub-Fund's net assets in distressed securities. Securities are considered as distressed if one or more of the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's) or Ca (Moody's), or an equivalent rating from a

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recognized rating agency. The current market value of such investments is lower than 50% of its principal.

The fixed income investments may also be issued or guaranteed by governments, international or supranational organisations or by private issuers. In particular the borrowers may be domiciled in emerging markets. Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.

As of 01.04.2021 the investment policy will be amended as follows:

*The Sub-Fund may buy fixed income and money market instruments of varying maturities, fixed income investments paying a fixed or fluctuating rate of interest, fixed income investments convertible into equity securities, inflation-indexed bonds, structured notes, credit-linked notes or fixed income investments of any kind. Furthermore the Sub-Fund may invest in Contingent Convertible Bonds (CoCos). CoCos are unlimited, principally fixed-income bonds with a hybrid character which are issued as bonds with fixed coupon payments, but which upon a trigger event are mandatorily converted into company shares or written down, provided that respective trigger events are set out in the issuing terms of the CoCos. In addition it is permitted to invest in distressed securities. Securities are considered as distressed if the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's, Fitch) or Ca (Moody's), or an equivalent rating from a recognized rating agency. **On an accumulated basis, an overall limit of 10% shall apply for investments in distressed securities and CoCos.***

The fixed income investments may also be issued or guaranteed by governments, international or supranational organisations or by private issuers. In particular the borrowers may be domiciled in emerging markets. Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.

Until 31.03.2021:

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The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to 45% ICE BofA 1-10Y US Corporate & Government Index, 45% MSCI All countries World NR Index in USD, 10% ICE BofA USD 3 M Deposit Bid Rate Average Index (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. The holdings and their weightings in the sub-fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the sub-fund's returns may deviate from the performance of the benchmark.

As of 01.04.2021 the investment policy will be specified as follows:

*The Sub-Fund will be actively managed without replicating any benchmark. The Sub-Fund will be managed without reference to any benchmark. The Reference Currency of the Sub-Fund is the USD. The Reference Currency does not need to be identical to the Investment Currency.*

*In H2 share classes the currency risks arising from fixed income investments (incl. money market instruments) are largely hedged against the reference currency of the respective share class in accordance with the information contained in section 5.1 "Description of shares", "Additional characteristics".*

The Sub-Fund may actively manage its exposure to foreign currencies through the use of forward currency contracts and other currency derivatives. In addition, the Sub-Fund may invest up to 50% of its net assets in UCITS/UCIs in accordance with the information contained in section 3.3 "Investment restrictions".

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

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<b>Risk profile</b>	<p>Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the shares can be sold for the original capital amount invested.</p> <p>In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.</p> <p>As JSS Global Allocation invests in equities, its performance is primarily influenced by company-specific changes and changes in the economic environment.</p> <p>There is also a higher credit default risk as a result of investing in debt securities of a non-investment grade rating.</p> <p>With regard to the investments in fixed and variable-rate securities, its performance is primarily influenced by issuer-specific changes and changes in interest rates.</p> <p>The convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.</p> <p>Risks related to:</p> <ul style="list-style-type: none"> <li>• <b>Distressed securities</b></li> <li>• <b>Emerging markets</b></li> <li>• <b>Contingent convertible bonds (CoCos)</b></li> <li>• <b>Credit Default Swaps</b></li> <li>• <b>Sustainability Risks</b></li> </ul> <p>are described in section "3.2.2 Sub-Fund's Specific Risk Profile." Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.</p> <p>The counterparty risk may additionally increase in the case of derivatives, which are not traded on a regulated market.</p>
<b>Investment manager</b>	Bank J. Safra Sarasin AG, Basel
<b>Risk monitoring method</b>	Commitment
<b>Investor profile</b>	This Sub-Fund is suited to investors with a medium to long-term investment horizon seeking capital appreciation. JSS Global Allocation is intended as a

	core investment in mixed assets for risk-aware investors.
<b>Valuation Day</b>	Each day banks are open for business in Luxembourg and Switzerland. <sup>3</sup>
<b>Accounting currency</b>	USD
<b>Fees payable to the Management Company</b>	<p>The Sub-Fund has the share classes listed in section 5.1 “Description of Shares”.</p> <p>The management fee for the share classes currently available for subscription is as follows:</p> <p>P USD acc max. 2.00% p.a.  P USD dist max. 2.00% p.a.  P CHF H2 acc max. 2.00% p.a.  P EUR H2 acc max. 2.00% p.a.  P GBP H2 dist max. 2.00% p.a.  C USD dist max. 1.50% p.a.  C USD acc max. 1.50% p.a.  C CHF H2 acc max. 1.50% p.a.  C EUR H2 acc max. 1.50% p.a.  C GBP H2 acc max. 1.50% p.a.  C GBP H2 dist max. 1.50% p.a.  I USD acc max. 1.30% p.a.  I USD dist max. 1.30% p.a.  I EUR H2 acc max. 1.30% p.a.  I EUR H2 dist max. 1.30% p.a.  I CHF H2 acc max. 1.30% p.a.  I CHF H2 dist max. 1.30% p.a.  I GBP H2 acc max. 1.30% p.a.  I GBP H2 dist max. 1.30% p.a.  Y USD acc max. 1.10% p.a.  Y USD dist. max.1.10% p.a.  M USD acc max. 0.12% p.a.  M EUR H2 acc max. 0.12% p.a.  M CHF H2 acc max. 0.12% p.a.  M GBP H2 acc max. 0.12% p.a.</p> <p>Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for all share classes by the Board of Directors. Further information concerning the service charge can be received from the Management Company.</p>

<sup>3</sup> The new definition “Valuation Day” which refers to each day banks are open for business in Luxembourg and Switzerland will be applicable as of 1 April 2021.

	The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.
<b>Fees payable by the investor</b>	<p><u>Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:</u></p> <p>Issue commission:</p> <ul style="list-style-type: none"> <li>• maximum 3% of the subscription amount for Shares with 'P' and 'C' in the name;</li> <li>• maximum 0% of the subscription amount for Shares with "I", "Y" and "M" in the name.</li> </ul> <p>Redemption commission: none.</p> <p>A conversion shall be treated like a redemption.</p>
<b>Special provisions relating to the issue of Shares (changes to section 5.3 of the prospectus)</b>	Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.

## JSS Bond – Global Convertibles

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<b>General information</b>	<p>The Shares of JSS Bond – Global Convertibles have been issued for the first time on 14 October 2015. As of 01.04.2021 the name of the Sub-Fund will be changed to JSS Sustainable Bond – Global Convertibles.</p>
<b>Investment objective</b>	<p>The investment objective of the JSS Bond – Global Convertibles aims to maximize long term total return (the combination of income and growth of capital) by investing mainly in global convertible assets.</p> <p>The Reference Currency of the Sub-Fund is the US dollar. The Reference Currency need not be identical to the Investment Currency.</p>
<b>Investment policy</b>	<p>JSS Bond – Global Convertibles invests at least two thirds of the Sub-Fund’s assets directly or indirectly in a portfolio of globally diversified convertible securities, whereby the Sub-Fund will have a certain emphasis in convertible securities in Europe and in the United States of America. Issuers of these securities may be located in any country, including emerging markets.</p> <p>Convertible securities exposure may be achieved through convertible bonds, convertible notes, convertible preference shares and any other suitable convertible or exchangeable instruments.</p> <p>As of 01.04.2021 the Sub-Funds investment policy will be specified as follows:</p> <p><i>The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. The Sub-Fund integrates social and governance (ESG or sustainability) aspects along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings.</i></p> <p><i>The Sub-Fund seeks to mitigate risks and harness opportunities that derive from megatrends in sustainability (such as resource scarcity, demographic transition, climate change, accountability etc.). The ESG security selection approach focuses on issuers that are among the leaders in their respective peer-group regarding sound governance, strategic</i></p>

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*management of environmental issues and proactive stakeholder relations. Business activities that raise controversies or infringe international norms tend to be excluded. Through its security selection process the Sub-Fund aims at creating an impact towards sustainable development. Moreover the Sub-Fund aims for an above-average ESG profile for individual holdings as well as the entire portfolio based on the investment manager's Sustainability Matrix described in Section 3.1, in order to endorse sustainable business practices.*

*To this effect, the Sub-Fund systematically excludes issuers exposed to controversial activities as detailed by the "JSS standard exclusions" as described in chapter 3.1.*

*The Sub-Fund is subject to a universe construction process which systematically screens by Sustainability ratings for better-performing issuers by using J. Safra Sarasin's proprietary and trademarked Sustainability Matrix. The Sustainability Matrix visualizes the investment manager's proprietary ESG ratings of issuers which are derived from ESG data provided by external data providers. A best-in-class or positive ESG screening approach is then used to build an investment universe with the stronger ESG performers. The expectation is that this process reduces the global investment universe of all issuers for which data is available by more than 50%.*

*The ESG portfolio reporting framework provides a relative and absolute assessment of the aggregate portfolio ESG performance on a range of financially-material ESG metrics. These ESG metrics are reviewed and discussed within the investment risk governance of the investment manager. Compliance with the ESG criteria is monitored independently and on an ongoing basis.*

*In order to ensure that the Sub-Fund's screening criteria are applied on an ongoing basis and remain in line with market developments, an interdisciplinary advisory board assists the investment manager with regard to the concept, selection criteria and definition of excluded activities. It discusses new scientific and social findings with the investment manager. The advisory board has no decision-making powers.*

*Engagement with issuers is performed on an ongoing basis provides an opportunity to improve the investment manager's understanding of investee*

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*companies. By working individually or collaboratively with other investors the investment manager aims to influence companies and promote sustainable growth.*

The Sub-Fund may also invest in warrants, debt securities, equity securities and money market instruments. Furthermore it is permitted to invest up to 10% of the Sub-Fund's net assets in distressed securities. Securities are considered as distressed if the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's, Fitch) or Ca (Moody's), or an equivalent rating from a recognized rating agency.<sup>4</sup>

The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to Refinitiv Global Focus Hedged Convertible Bond Index USD-hedged (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark.

USD is the Reference Currency of the Sub-Fund, but assets may be denominated in other currencies. However a substantial part of the assets of the Sub-Fund will be denominated in or hedged into USD.

In addition, shares/units of other UCITS/UCIs and derivative instruments may be used in accordance with the information contained in section 3.3 "Investment restrictions" respectively 3.4 "Use of derivatives and techniques and instruments".

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**Risk profile**

Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the shares can be sold for the original capital amount invested.

In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.

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<sup>4</sup> Until 31 March 2021 securities are considered as distressed if one or more of the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's) or Ca (Moody's), or an equivalent rating from a recognized rating agency. The current market value of such investments is lower than 50% of its principal.

Convertibles securities risk: The market value of a convertible security performs like the market value of a regular debt security, i.e. if market interest rates rise, the value of a convertible security usually falls. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.

There is also a higher credit default risk as a result of investing in debt securities of a non-investment grade rating.

With regard to the investments in fixed and variable-rate securities, its performance is primarily influenced by issuer-specific changes and changes in interest rates.

Risks related to:

- **Distressed securities**
- **Emerging Markets**
- **Sustainability Risks**

are described in section "3.2.2 Sub-Fund's Specific Risk Profile". Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.

The counterparty risk may additionally increase in the case of derivatives, which are not traded on a regulated market.

<b>Investment manager</b>	Bank J. Safra Sarasin AG, Basel
<b>Sub-investment managers</b>	The Putnam Advisory Company, LLC Boston, USA Fisch Asset Management AG, Zurich
<b>Risk monitoring method</b>	Commitment
<b>Investor profile</b>	This Sub-Fund is suited to investors with a medium to long-term investment horizon seeking a combination of capital income and capital appreciation. JSS Bond – Global Convertibles is intended as an investment for risk-aware investors.

<b>Valuation Day</b>	Each day banks are open for business in Luxembourg, USA and Switzerland. <sup>5</sup>
<b>Accounting currency</b>	USD
<b>Fees payable to the Management Company</b>	<p>The Sub-Fund has the share classes listed in section 5.1 “Description of Shares”.</p> <p>The management fee for the share classes currently available for subscription is as follows:</p> <p>P USD acc max. 2.00% p.a.  P USD dist max. 2.00% p.a.  P CHF acc hedged max. 2.00% p.a.  P CHF dist hedged max. 2.00% p.a.  P EUR acc hedged max. 2.00% p.a.  P EUR dist hedged max. 2.00% p.a.  P GBP dist hedged max. 2.00% p.a.  C USD acc max. 1.50% p.a.  C USD dist max. 1.50% p.a.  C CHF acc hedged max. 1.50% p.a.  C CHF dist hedged max. 1.50% p.a.  C EUR acc hedged max. 1.50% p.a.  C EUR dist hedged max. 1.50% p.a.  C GBP dist hedged max. 1.50% p.a.  I USD acc max. 1.00% p.a.  I USD dist max. 1.00% p.a.  I CHF acc hedged max. 1.00% p.a.  I CHF dist hedged max. 1.00% p.a.  I EUR acc hedged max. 1.00% p.a.  I EUR dist hedged max. 1.00% p.a.  I GBP dist hedged max. 1.00% p.a.</p> <p>Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for all share classes by the Board of Directors. Further information concerning the service charge can be received from the Management Company.</p> <p>The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.</p>
<b>Fees payable by the investor</b>	<p><u>Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:</u></p> <p>Issue commission:</p>

<sup>5</sup> The new definition “Valuation Day” which refers to each day banks are open for business in Luxembourg, USA and Switzerland will be applicable as of 1 April 2021.

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- maximum 3% of the subscription amount for Shares with 'P' and 'C' in the name.
  - maximum 0% of the subscription amount for Shares with 'I' in the name.

Redemption commission: none.

A conversion shall be treated like a redemption.

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**Special provisions applicable as from 01.04.2021 relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**

Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.

Payments for redemptions will ordinarily be made in the currency of the relevant Sub-Fund within two Bank Business Days of the relevant Valuation Day.

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## JSS Bond – Asia Opportunities

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**General information** The Shares of JSS Bond – Asia Opportunities have been issued for the first time on 8 December 2017.

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**Investment objective** The investment objective of JSS Bond – Asia Opportunities is to achieve the highest possible interest income while maintaining balanced risk diversification and optimal liquidity.

The Reference Currency of the Sub-Fund is the US dollar (USD). This means that the Sub-Fund manager seeks to optimize investment performance in USD terms.

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**Investment policy** JSS Bond – Asia Opportunities mainly invests in fixed and variable-rate debt securities, including zero bonds, issued or guaranteed by sovereign, private and public issuers domiciled in Asian countries or by issuers that exercise a preponderant part of their business activities in Asia.

Up to 25% of the Sub-Fund's net assets may be invested in non-investment grade bonds or bonds without credit rating. Non-investment grade rating means a credit rating that is lower than BBB- (Standard & Poor's, Fitch) or Baa3 (Moody's) or an equivalent quality rating.

In addition, up to 15% of the Sub-Fund's net assets may be invested in CoCos. CoCos are unlimited, principally fixed-income bonds with a hybrid character which are issued as bonds with fixed coupon payments, but which upon a trigger event are mandatorily converted into company shares or written down, provided that respective trigger events are set out in the issuing terms of the CoCos.

On an accumulated basis, an overall limit of 30% shall apply for investments in non-investment grade bonds or bonds without credit rating and CoCos.

The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to JACI Investment Grade TR Index (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the

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Sub-Fund's returns may deviate from the performance of the Benchmark.

Asian countries include emerging markets, emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.

The Sub-Fund may hold ancillary liquid assets. In addition, shares/units of other UCITS/UCIs and derivative instruments may be used for investment and hedging purposes in accordance with the information contained in section 3.3. "Investment restrictions" respectively 3.4 "Use of derivatives and techniques and instruments".

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**Risk profile**

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

In addition, if the investor's reference currency differs from the Sub-Fund's investment currency(ies), a currency risk exists.

As JSS Bond – Asia Opportunities invests in fixed and variable-rate securities; its performance is primarily influenced by issuer-specific changes and changes in interest rates.

There is also a higher credit default risk as a result of investing in debt securities of a non-investment grade rating. Non-investment grade securities or securities without credit rating are typically subject to greater market fluctuations and the risk of loss of income and principal than lower yielding, investment grade instruments, and which are often influenced by many of the same unpredictable factors which affect equity prices. The Sub-Fund's investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of any particular issuers' creditworthiness.

The Sub-Fund may invest in securities which may be not be rated by a recognised credit-rating agency, are low investment grade or below investment grade and which are, or may become, subject to greater risk of loss of principal and interest than higher-rated debt securities. As investors generally perceive that there are greater risks associated with unrated and below investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment

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grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Sub-Fund. The Sub-Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Sub-Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Sub-Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Asian countries include emerging markets.

Risks related to:

- **contingent convertible bonds (CoCos)**
- **Emerging Markets**
- **Sustainability Risks (i.a. Emerging Markets)**

are described in section "3.2.2 Sub-Fund's Specific Risk Profile".

The Sub-Fund does not promote ESG characteristics (as defined in section 3.1 above) and does not maximize portfolio alignment with ESG characteristics; however, it remains exposed to Sustainability Risks (as defined in section 3.2.2 above).

<b>Investment manager</b>	Bank J. Safra Sarasin Ltd., Singapore Branch
<b>Risk monitoring method</b>	Commitment
<b>Investor profile</b>	This Sub-Fund is suited to investors with a medium to long-term investment horizon seeking medium to high returns. JSS Bond – Asia Opportunities is intended as a supplementary investment in fixed income securities for investors with a medium to high risk tolerance.
<b>Valuation Day</b>	Each day banks are open for business in Luxembourg, Singapore, Hong Kong and Switzerland.
<b>Accounting currency</b>	USD
<b>Fees payable to the Management Company</b>	The Sub-Fund has the share classes listed in section 5.1 "Description of Shares".

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The management fee for the share classes currently available for subscription is as follows:

P USD acc max 1.50% p.a.

P USD dist max. 1.50% p.a.

P CHF acc hedged max. 1.50% p.a.

P CHF dist hedged max. 1.50% p.a.

P EUR acc hedged max. 1.50% p.a.

P EUR dist hedged max. 1.50% p.a.

P HKD acc hedged max. 1.50% p.a.

P HKD dist hedged max. 1.50% p.a.

P SGD acc hedged max. 1.50% p.a.

P SGD dist hedged max. 1.50% p.a.

C USD acc max. 1.30% p.a.

C USD dist max. 1.30% p.a.

C CHF acc hedged max. 1.30% p.a.

C CHF dist hedged max. 1.30% p.a.

C EUR acc hedged max. 1.30% p.a.

C EUR dist hedged max. 1.30% p.a.

C HKD acc hedged max. 1.30% p.a.

C HKD dist hedged max. 1.30% p.a.

C SGD acc hedged max. 1.30% p.a.

C SGD dist hedged max. 1.30% p.a.

I USD acc max. 1.00% p.a.

I USD dist max. 1.00% p.a.

I CHF acc hedged max. 1.00% p.a.

I CHF dist hedged max. 1.00% p.a.

I EUR acc hedged max. 1.00% p.a.

I EUR dist hedged max. 1.00% p.a.

I SGD acc hedged max. 1.00% p.a.

I SGD dist hedged max. 1.00% p.a.

I HKD acc hedged max. 1.00% p.a.

I HKD dist hedged max. 1.00% p.a.

Y USD acc max. 1.00% p.a.

Y USD dist max. 1.00% p.a.

Y CHF acc hedged max. 1.00% p.a.

Y EUR acc hedged max. 1.00% p.a.

Y GBP dist hedged max. 1.00% p.a.

Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.

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	The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.
<b>Fees payable by the investor</b>	<p>Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:</p> <p>Issue commission:</p> <ul style="list-style-type: none"> <li>• maximum 3% of the subscription amount for Shares with 'P' and 'C' in the name.</li> <li>• maximum 0% of the subscription amount for Shares with 'I' and 'Y' in the name.</li> </ul> <p>Redemption commission: none.</p> <p>A conversion shall be treated like a redemption.</p>
<b>Subscription and redemption deadline</b>	Subscription and redemption orders must be received by the transfer agent 1 Bank Business Days before the Valuation Day, no later than 12:00 (noon) Luxembourg time ("Acceptance or Redemption Cut-Off Time").

## JSS Sustainable Bond – Global High Yield

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**General information** The Shares of JSS Sustainable Bond – Global High Yield have been issued for the first time on 27 March 2018.

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**Investment objective** The investment objective of JSS Sustainable Bond – Global High Yield is to achieve the highest possible return by investing in high yield bonds from sustainable issuers.

The Reference Currency of the Sub-Fund is the US dollar (USD). This means that the Sub-Fund manager seeks to optimize investment performance in USD terms.

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**Investment policy** JSS Sustainable Bond – Global High Yield invests at least 70% of its net assets in fixed or floating rate debt securities, including zero bonds, with a non-investment grade rating, issued or guaranteed by government, public, private and public-private borrowers.

Non-investment grade rating means a credit rating that is lower than BBB- (Standard & Poor's, Fitch) or Baa3 (Moody's) or an equivalent quality rating.

Securities may be issued or guaranteed by borrowers in emerging markets.

Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.

The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9.

Investments in securities shall only comprise debt securities issued by countries, organisations and companies making a contribution towards sustainable business practices. These institutions are distinguished by the fact that they make the lowest possible and most efficient use of environmental and social resources. The Sub-Fund integrates social and governance (ESG or sustainability) aspects along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. Moreover the Sub-Fund aims for an above-average ESG profile for individual holdings as well as the entire portfolio based on the investment manager's

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Sustainability Matrix described in Section 3.1, in order to endorse sustainable business practices. The Sub-Fund seeks to mitigate risks and harness opportunities that derive from megatrends in sustainability (such as resource scarcity, demographic transition, climate change, accountability etc.). To this effect, the Sub-Fund systematically excludes issuers exposed to controversial activities as detailed by the “JSS standard exclusions” as described in chapter 3.1.

The Sub-Fund is subject to a universe construction process which systematically screens by Sustainability ratings for better-performing issuers by using J. Safra Sarasin’s proprietary and trademarked Sustainability Matrix. The Sustainability Matrix visualizes the investment manager’s proprietary ESG ratings of issuers which are derived from ESG data provided by external data providers. A best-in-class or positive ESG screening approach is then used to build an investment universe with the stronger ESG performers. The expectation is that this process reduces the global investment universe of all issuers for which data is available by more than 50%.

In addition, the investment manager uses proprietary bottom-up investment research where ESG factors are embedded. The portfolio manager enhances the financial assessment with ESG, SDGs, climate and other sustainability performance data to get a holistic view of the investment case in order to make a better informed decision.

The ESG portfolio reporting framework provides a relative and absolute assessment of the aggregate portfolio ESG performance on a range of financially-material ESG metrics. These ESG metrics are reviewed and discussed within the investment risk governance of the investment manager. Compliance with the ESG criteria is monitored independently and on an ongoing basis.

ESG security selection approach focuses on issuers that are among the leaders in their respective peer-group regarding sound governance, strategic management of environmental issues and proactive stakeholder relations. Business activities that raise controversies or infringe international norms tend to be excluded. Through its security selection process the fund aims at creating an impact towards sustainable development.

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In order to ensure that the Sub-Fund's screening criteria are applied on an ongoing basis and remain in line with market developments, an interdisciplinary advisory board assists the investment manager with regard to the concept, selection criteria and definition of excluded activities, organisations and industries. It discusses new scientific and social findings with the investment manager. The advisory board has no decision-making powers.

Engagement with issuers is performed on an ongoing basis provides an opportunity to improve the investment manager's understanding of investee companies. By working individually or collaboratively with other investors the investment manager aims to influence companies and promote sustainable growth. The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to ICE BofA Global High Yield Index USD hedged (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. In addition, the Investment Manager integrates sustainability aspects which lead to an exclusion of investable Benchmark components. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark.

The Sub-Fund may invest up to 20% (including max. 10% in distressed securities) of the Sub-Fund's net assets in non-investment grade investments with a rating lower than B- (Standard & Poor's, Fitch) or B3 (Moody's), or an equivalent rating from a recognized rating agency.

Securities are considered as distressed if the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's, Fitch) or Ca (Moody's), or an equivalent rating from a recognized rating agency.<sup>6</sup>

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<sup>6</sup> Until 31 March 2021 securities are considered as distressed if one or more of the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's) or Ca (Moody's), or an equivalent rating from a recognized rating agency. The current market value of such investments is lower than 50% of its principal.

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Up to 20% of the assets may be invested in fixed or floating rate debt securities with an investment grade rating and up to 10% in securities without a rating.

Up to 10% of the assets may be invested in Contingent Convertible Bonds (CoCos).

Investments in equities and equity-like instruments are not allowed. If such instruments are received or chosen in the course of debt restructurings, exchanges, conversions or exercise of options and warrants they must be sold as soon as possible while safeguarding investors' interest.

The Sub-Fund may hold ancillary liquid assets. In addition, shares/units of other UCITS/UCIs in accordance with the information contained in section 3.3. "Investment restrictions". For the purpose of efficient portfolio management or hedging the Sub-Fund may use financial derivative instruments that are traded on a stock exchange or other regulated market open to the public or over the counter (OTC). These include, amongst others, futures, forwards, swaps, credit default swaps and credit linked notes for the management of currency, interest-rate and credit risks.

The Sub-Fund may also borrow up to 10% of the net fund assets on a temporary basis. The Sub-Fund may further undertake potential commitments within the limits of the 2010 Law through derivative investment instruments (e.g. futures and options).

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**Risk profile**

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

In addition, if the investor's reference currency differs from the Sub-Fund's investment currency(ies), a currency risk exists.

As the JSS Sustainable Bond – Global High Yield invests in fixed and variable-rate securities, its performance is primarily influenced by issuer-specific changes and changes in interest rates.

There is also a higher credit default risk as a result of investing in debt securities of a non-investment- grade rating.

Non-investment grade securities or securities without credit rating are typically subject to greater market fluctuations and the risk of loss of income and principal than lower yielding, investment grade instruments, and which are often influenced by many of the same unpredictable factors which affect equity prices. The

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Sub-Fund's investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of any particular issuers' creditworthiness.

The Sub-Fund may invest in securities which may not be rated by a recognised credit-rating agency, are low investment grade or below investment grade and which are, or may become, subject to greater risk of loss of principal and interest than higher-rated debt securities. As investors generally perceive that there are greater risks associated with unrated and below investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Sub-Fund. The Sub-Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Sub-Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Sub-Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Risks related to:

- **Distressed securities**
- **Contingent convertible bonds (CoCos)**
- **Emerging Markets**
- **Credit Default Swaps**
- **Sustainability Risks (i.a. High Yield)**

Are described in section "3.2.2 Sub-Fund's Specific Risk Profile".

The Sub-Fund holds sufficient cash and investments which can be sold within one day under normal and stressed market conditions. However, it may also hold assets which are less liquid. The part of less liquid assets is strictly limited so as to ensure that large

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	redemptions can be met at any time in accordance with the defined redemption terms. The Sub-Fund's liquidity management tools in place as well as its dealing frequency arrangements are appropriate with regards to its investment strategy and underlying assets
<b>Investment manager</b>	Bank J. Safra Sarasin AG, Basel
<b>Risk monitoring method</b>	Commitment
<b>Investor profile</b>	This Sub-Fund is suited to investors with a medium to long-term investment horizon seeking medium to high returns. JSS Sustainable Bond – Global High Yield is intended as a supplementary investment in fixed income securities for investors with a medium to high risk tolerance.
<b>Valuation Day</b>	Each day banks are open for business in Luxembourg and Switzerland.
<b>Accounting currency</b>	USD
<b>Fees payable to the Management Company</b>	<p>The Sub-Fund has the share classes listed in section 5.1 “Description of Shares”.</p> <p>The management fee for the share classes currently available for subscription is as follows:</p> <p>P USD acc max 1.50% p.a.  P USD dist max. 1.50% p.a.  P CHF acc hedged max. 1.50% p.a.  P CHF dist hedged max. 1.50% p.a.  P EUR acc hedged max. 1.50% p.a.  P EUR dist hedged max. 1.50% p.a.  P GBP acc hedged max. 1.50% p.a.  P GBP dist hedged max. 1.50% p.a.  P SGD acc hedged max. 1.50% p.a.  P SGD dist hedged max. 1.50% p.a.  C USD acc max. 1.30% p.a.  C USD dist max. 1.30% p.a.  C CHF acc hedged max. 1.30% p.a.  C CHF dist hedged max. 1.30% p.a.  C EUR acc hedged max. 1.30% p.a.  C EUR dist hedged max. 1.30% p.a.  C GBP acc hedged max. 1.30% p.a.  C GBP dist hedged max. 1.30% p.a.  I USD acc max. 1.00% p.a.  I USD dist max. 1.00% p.a.  I CHF acc hedged max. 1.00% p.a.  I CHF dist hedged max. 1.00% p.a.  I EUR acc hedged max. 1.00% p.a.  I EUR dist hedged max. 1.00% p.a.  I GBP acc hedged max. 1.00% p.a.</p>

	<p>I GBP dist hedged max. 1.00% p.a.  I SGD dist hedged max. 1.00% p.a.  Y USD acc max. 1.00% p.a.  Y USD dist max. 1.00% p.a.  Y CHF acc hedged max. 1.00% p.a.  Y CHF dist hedged max. 1.00% p.a.  Y EUR acc hedged max. 1.00% p.a.  Y GBP dist hedged max. 1.00% p.a.  M USD acc max 0.12% p.a.  M CHF acc hedged max 0.12% p.a.  M EUR acc hedged max 0.12% p.a.</p> <p>Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.</p> <p>The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.</p>
<b>Fees payable by the investor</b>	<p>Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:</p> <p>Issue commission:</p> <ul style="list-style-type: none"> <li>• maximum 3% of the subscription amount for Shares with 'P' and 'C' in the name.</li> <li>• maximum 0% of the subscription amount for Shares with 'I', 'Y' and "M" in the name.</li> </ul> <p>Redemption commission: none.</p> <p>A conversion shall be treated like a redemption.</p>
<b>Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)</b>	<p>Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.</p> <p>Payments for redemptions will ordinarily be made in the currency of the relevant Sub-Fund within two Bank Business Days of the relevant Valuation Day.</p>

## JSS Sustainable Equity – Global Multifactor

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<b>General information</b>	The Shares of JSS Sustainable Equity – Global Multifactor have been issued for the first time on 27 November 2018.
<b>Investment objective</b>	<p>The investment objective of JSS Sustainable Equity – Global Multifactor is to achieve long-term capital growth.</p> <p>The reference currency of the Sub-Fund is the USD. The Reference Currency does not need to be identical to the Investment Currency.</p>
<b>Investment policy</b>	<p>JSS Sustainable Equity – Global Multifactor invests worldwide either directly (min. 51%) or indirectly in equity securities (e.g. ordinary and preference shares, depositary receipts, etc.).</p> <p>The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9.</p> <p>The Sub-fund uses multi-factor models to evaluate stocks based on their exposure to factors such as valuation, quality, momentum, volatility and size. The Sub-fund will tilt the allocation of single factor portfolios based on a business cycle model. In addition, the Sub-Fund considers environmental, social and governance aspects (ESG, or sustainability) along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The Sub-Fund seeks to minimize the risks and exploit the opportunities associated with sustainability megatrends such as resource shortages, demographic change, climate change, accountability, etc. The process of selecting sustainable securities focuses on issuers that are leading providers in their respective peer group when it comes to solid corporate governance, strategic management of environmental issues and proactive stakeholder relationships. Controversial business activities or those violating international norms are usually excluded. The Sub-Fund champions sustainable development through its stock selection process and its active shareholder engagement (dialogue with company managements and exercising of voting rights). Moreover the Sub-Fund aims for an above-average ESG profile for</p>

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individual holdings as well as the entire portfolio based on the investment manager's Sustainability Matrix described in Section 3.1, in order to endorse sustainable business practices.

To this effect, the Sub-Fund systematically excludes issuers exposed to controversial activities as detailed by the "JSS standard exclusions" as described in chapter 3.1.

The Sub-Fund is subject to a universe construction process which systematically screens by Sustainability ratings for better-performing issuers by using J. Safra Sarasin's proprietary and trademarked Sustainability Matrix. The Sustainability Matrix visualizes the investment manager's proprietary ESG ratings of issuers which are derived from ESG data provided by external data providers. A best-in-class or positive ESG screening approach is then used to build an investment universe with the stronger ESG performers. The expectation is that this process reduces the global investment universe of all issuers for which data is available by more than 50%.

The ESG portfolio reporting framework provides a relative and absolute assessment of the aggregate portfolio ESG performance on a range of financially-material ESG metrics. These ESG metrics are reviewed and discussed within the investment risk governance of the investment manager. Compliance with the ESG criteria is monitored independently and on an ongoing basis.

In order to ensure that the Sub-Fund's screening criteria are applied on an ongoing basis and remain in line with market developments, an interdisciplinary advisory board assists the investment manager with regard to the concept, selection criteria and definition of excluded activities. It discusses new scientific and social findings with the investment manager. The advisory board has no decision-making powers. On Proxy Voting, the investment manager has its own customized guidelines that reflect the overall sustainable investment approach and research methodology and systematically incorporates ESG considerations identified through internal and external research.

The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to MSCI World NR Index (the "Benchmark"). Generally, the majority of the positions

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within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. In addition, the Investment Manager integrates sustainability aspects which lead to an exclusion of investable Benchmark components. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark.

The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash, money market instruments and fixed or floating rate debt securities with an investment grade rating.

In addition, derivative instruments may be used for hedging as well as for efficient portfolio management purposes in accordance with the information contained in section 3.4. "Use of derivatives and techniques and instruments".

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**Risk profile**

Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.

In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.

As JSS Sustainable Equity - Global Multifactor invests in equities; its performance is primarily influenced by company-specific changes and changes in the economic environment.

Currency export restrictions or other related regulations in these countries may also lead to complete or partial delays in the repatriation of the investments, or fully or partly prevent this, with the consequence of possible delays in the payment of the redemption price.

Risks related to

- **Sustainability Risks**

are described in section 3.2.2 "Sub-Funds' Specific Risk Profile".

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**Investment manager**

Bank J. Safra Sarasin AG, Basel

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**Risk monitoring method**

Commitment

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**Investor profile**

This Sub-Fund is suited to investors with a long-term investment horizon seeking capital appreciation. JSS

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	Sustainable Equity - Global Multifactor is intended as supplementary investment in global for investors with a moderate to high risk tolerance.
<b>Valuation Day</b>	Each day banks are open for business in Luxembourg, USA and Switzerland. <sup>7</sup>
<b>Accounting currency</b>	USD
<b>Fees payable to the Management Company</b>	<p>The Sub-Fund has the share classes listed in section 5.1 "Description of Shares".</p> <p>The management fee for the share classes currently available for subscription is as follows:</p> <p>P USD acc max 2.00% p.a.  P USD dist max. 2.00% p.a.  P EUR acc max. 2.00% p.a.  P CHF acc max. 2.00% p.a.  C USD acc max. 1.50% p.a.  C USD dist max. 1.50% p.a.  C EUR acc max. 1.50% p.a.  C CHF acc max. 1.50% p.a.  I USD acc max. 1.00% p.a.  I USD dist max. 1.00% p.a.  I EUR acc max. 1.00% p.a.  I CHF acc max. 1.00% p.a.  Y USD acc max. 1.00% p.a.  Y USD dist max. 1.00% p.a.  M USD acc max. 0.12% p.a.</p> <p>Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.</p> <p>The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.</p>
<b>Fees payable by the investor</b>	<p>Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:</p> <p>Issue commission:</p> <ul style="list-style-type: none"> <li>• maximum 3% of the subscription amount for Shares with 'P' and 'C' in the name.</li> <li>• maximum 0% of the subscription amount for Shares with 'I', 'Y' and 'M' in the name.</li> </ul> <p>Redemption commission: none.</p>

<sup>7</sup> Until 31 March 2021 the term "Valuation Day" is defined as each day banks are open for business in Luxembourg and Switzerland.

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A conversion shall be treated like a redemption.

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**Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**

Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.

Payments for redemptions will ordinarily be made in the currency of the relevant Sub-Fund within two Bank Business Days of the relevant Valuation Day.

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## JSS Sustainable Equity – European Smaller Companies

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<b>General information</b>	The Shares of JSS Sustainable Equity – European Smaller Companies have been issued for the first time on 13 November 2018.
<b>Investment objective</b>	The investment objective of JSS Sustainable Equity - European Smaller Companies is primarily to achieve capital appreciation through investing in an actively managed portfolio of European Small & Mid Caps. The Reference Currency of the Sub-Fund is EUR.
<b>Investment policy</b>	<p>JSS Sustainable Equity - European Smaller Companies mainly invests either directly (min. 51% of the Sub-Fund's assets) or indirectly in shares of smaller-sized companies which are either domiciled in Europe or, in the case of holding companies, own stakes mainly in companies domiciled in Europe. Smaller-sized companies (including micro cap stocks) are defined as all companies that are in the bottom 35 percentile of the free float adjusted market capitalization of the equity universe at the time the investment is made. The Sub-Fund will invest no more than 10% of its net assets in micro caps. Micro sized stocks are defined as all companies with a market capitalization of less than EUR 300 million at the time the investment is made.</p> <p>Provided that the requirements of Article 41 of the 2010 Law are met, the Sub-Fund may also participate in initial public offerings.</p> <p>The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9.</p> <p>The Sub-Fund considers environmental, social and governance aspects (ESG, or sustainability) along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. Moreover the Sub-Fund aims for an above-average ESG profile for individual holdings as well as the entire portfolio based on the investment manager's Sustainability Matrix described in Section 3.1, in order to endorse sustainable business practices. The Sub-Fund seeks to minimize the risks and exploit the opportunities associated with sustainability megatrends such as resource shortages, demographic</p>

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change, climate change, accountability, etc. The process of selecting sustainable securities focuses on issuers that are leading providers in their respective peer group when it comes to solid corporate governance, strategic management of environmental issues and proactive stakeholder relationships. Controversial business activities or those violating international norms are usually excluded. The Sub-Fund champions sustainable development through its stock selection process and its active shareholder engagement (dialogue with company managements and exercising of voting rights). To this effect, the Sub-Fund systematically excludes issuers exposed to controversial activities as detailed by the “JSS standard exclusions” as described in chapter 3.1.

The Sub-Fund is subject to a universe construction process which systematically screens by Sustainability ratings for better-performing issuers by using J. Safra Sarasin’s proprietary and trademarked Sustainability Matrix. The Sustainability Matrix visualizes the investment manager’s proprietary ESG ratings of issuers which are derived from ESG data provided by external data providers. A best-in-class or positive ESG screening approach is then used to build an investment universe with the stronger ESG performers. The expectation is that this process reduces the global investment universe of all issuers for which data is available by more than 50%.

The ESG portfolio reporting framework provides a relative and absolute assessment of the aggregate portfolio ESG performance on a range of financially-material ESG metrics. These ESG metrics are reviewed and discussed within the investment risk governance of the investment manager. Compliance with the ESG criteria is monitored independently and on an ongoing basis.

In order to ensure that the Sub-Fund’s screening criteria are applied on an ongoing basis and remain in line with market developments, an interdisciplinary advisory board assists the investment manager with regard to the concept, selection criteria and definition of excluded activities. It discusses new scientific and social findings with the investment manager. The advisory board has no decision-making powers.

On Proxy Voting, the investment manager has its own customized guidelines that reflect the overall sustainable investment approach and research

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methodology and systematically incorporates ESG considerations identified through internal and external research.

The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to MSCI Europe Small Caps NR Index (the “Benchmark”). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the benchmark. In addition, the Investment Manager integrates sustainability aspects which lead to an exclusion of investable Benchmark components. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark.

The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash, money market instruments and fixed or floating rate debt securities with an investment grade rating.

In addition, derivative instruments may be used for hedging purposes in accordance with the information contained in section 3.4. “Use of derivatives and techniques and instruments”.

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**Risk profile**

Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.

In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.

As JSS Sustainable Equity - European Smaller Companies invests in equities; its performance is primarily influenced by company-specific changes and changes in the economic environment.

The market value of newly issued shares may fluctuate considerably owing to factors such as the lack of a prior public market, untested trading, low number of shares available for trading or limited information on issuers.

Shares of small- and mid-caps may be exposed to greater price fluctuations and have a low trading volume, which can be detrimental to the saleability under restricted market conditions.

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Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.

The Sub-Fund holds sufficient cash and investments which can be sold within one day under normal and stressed market conditions. However, it may also hold assets which are less liquid. The part of less liquid assets is strictly limited so as to ensure that large redemptions can be met at any time in accordance with the defined redemption terms. The Sub-Fund's liquidity management tools in place as well as its dealing frequency arrangements are appropriate with regards to its investment strategy and underlying assets.

Risks related to

- **Sustainability Risks (i.a. Europe)**

are described in section 3.2.2 "Sub-Funds' Specific Risk Profile".

<b>Investment manager</b>	Bank J. Safra Sarasin AG, Basel
<b>Risk monitoring method</b>	Commitment
<b>Investor profile</b>	The sub-fund is suited for investors with a long-term investment horizon seeking capital appreciation. JSS Sustainable Equity - European Smaller Companies is intended as supplementary investment in European equities for investors with a moderate to high risk tolerance.
<b>Valuation Day</b>	Each day banks are open for business in Luxembourg and Switzerland.
<b>Accounting currency</b>	EUR
<b>Fees payable to the Management Company</b>	<p>The Sub-Fund has the share classes listed in section 5.1 "Description of Shares".</p> <p>The management fee for the share classes currently available for subscription is as follows:</p> <p>P EUR acc max 2.00% p.a.  P EUR dist max. 2.00% p.a.  C EUR acc max. 1.50% p.a.  C EUR dist max. 1.50% p.a.  I EUR acc max. 1.00% p.a.  I EUR dist max. 1.00% p.a.  Y EUR acc max. 1.00% p.a.  Y EUR dist max. 1.00% p.a.  M EUR acc max. 0.12% p.a.</p> <p>Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be</p>

	<p>requested from the Company's registered office or the distributors.</p> <p>The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.</p>
<b>Fees payable by the investor</b>	<p>Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:</p> <p>Issue commission:</p> <ul style="list-style-type: none"> <li>• maximum 3% of the subscription amount for Shares with 'P' and 'C' in the name.</li> <li>• maximum 0% of the subscription amount for Shares with 'I', 'Y' and 'M' in the name.</li> </ul> <p>Redemption commission: none.</p> <p>A conversion shall be treated like a redemption.</p>
<b>Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)</b>	<p>Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.</p> <p>Payments for redemptions will ordinarily be made in the currency of the relevant Sub-Fund within two Bank Business Days of the relevant Valuation Day.</p>

## JSS Sustainable Equity – Future Health

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<b>General information</b>	<p>The Shares of JSS Sustainable Equity – Future Health will be issued for the first time at a date to be set by resolution of the Board of Directors. Following the Board of Directors’ resolution, confirmation of the Sub-Fund’s date of issue will be available at the registered office of the Management Company. All conditions in the prospectus that relate specifically to this Sub-Fund will only become effective as of the Sub-Fund’s date of issue.</p>
<b>Investment objective</b>	<p>The investment objective of the JSS Sustainable Equity – Future Health is to achieve long-term capital growth. The Reference Currency of the Sub-Fund is the US Dollar (USD).</p>
<b>Investment policy</b>	<p>The assets of JSS Sustainable Equity – Future Health are mainly invested worldwide either directly (min. 51% of the Sub-Fund’s assets) or indirectly in equity securities that offer an exposure to one or multiple emerging and transformational health trends. The Sub-Fund invests in leading companies and niche players whose products and services contribute to the improvement of health outcome and the dampening of rising healthcare costs. The majority of the investments are made in healthcare companies with a strong focus on technology, prevention and quality control across all healthcare industries. In order to underpin the “Future Health” investment theme, the Sub-Fund may also invest in leading companies outside of the healthcare sector which are exposed amongst others to nutrition, activity, senior living and health related technology trends.</p> <p>The Sub-Fund is actively managed without replicating any benchmark. The Sub-Fund is managed without reference to any benchmark.</p> <p>Investments are made across market capitalizations and without any restriction as to the issuer’s domicile. This also includes investments in the emerging markets. Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.</p> <p>The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9.</p>

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The Sub-Fund considers environmental, social and governance aspects (ESG, or sustainability) along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The Sub-Fund seeks to minimize the risks and exploit the opportunities associated with sustainability megatrends such as resource shortages, demographic change, climate change, accountability, etc. The process of selecting sustainable securities focuses on issuers that are leading providers in their respective peer group when it comes to solid corporate governance, strategic management of environmental issues and proactive stakeholder relationships. Controversial business activities or those violating international norms are usually excluded. The Sub-Fund champions sustainable development through its stock selection process and its active shareholder engagement (dialogue with company managements and exercising of voting rights). To this effect, the Sub-Fund systematically excludes issuers exposed to controversial activities as detailed by the “JSS standard exclusions” as described in chapter 3.1.

The Sub-Fund is subject to a universe construction process which systematically assesses the Sustainability ratings of issuers by using J. Safra Sarasin’s proprietary and trademarked Sustainability Matrix. The Sustainability Matrix visualizes the investment manager’s proprietary ESG ratings of issuers which are derived from ESG data provided by external data providers. A worst-out or negative ESG screening approach is then used to eliminate the weakest ESG performers. The expectation is that this process reduces the global investment universe of all issuers for which data is available by roughly 15%.

In addition, the investment manager uses proprietary bottom-up investment research where ESG factors are embedded. The portfolio manager enhances the financial assessment with ESG, SDGs, climate and other sustainability performance data to get a holistic view of the investment case in order to make a better informed decision.

The ESG portfolio reporting framework provides a relative and absolute assessment of the aggregate portfolio ESG performance on a range of financially-

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material ESG metrics. These ESG metrics are reviewed and discussed within the investment risk governance of the investment manager. Compliance with the ESG criteria is monitored independently and on an ongoing basis.

In order to ensure that the Sub-Fund's screening criteria are applied on an ongoing basis and remain in line with market developments, an interdisciplinary advisory board assists the investment manager with regard to the concept, selection criteria and definition of excluded activities. It discusses new scientific and social findings with the investment manager. The advisory board has no decision-making powers.

Engagement with issuers is performed on an ongoing basis and provides an opportunity to improve the investment manager's understanding of investee companies. By working individually or collaboratively with other investors the investment manager aims to influence companies and promote sustainable growth.

On Proxy Voting, the investment manager has its own customized guidelines that reflect the overall sustainable investment approach and research methodology and systematically incorporates ESG considerations identified through internal and external research

Provided that the requirements of Article 41 of the 2010 Law are met, the Sub-Fund may also participate in initial public offerings.

The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash, money market instruments and fixed or floating rate debt securities with an investment grade rating.

In addition derivative instruments may be used for investment and hedging purposes in accordance with the information contained in section 3.3. "Investment restrictions" respectively 3.4 "Use of derivatives and techniques and instruments".

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**Risk profile**

Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.

In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.

As JSS Sustainable Equity – Future Health invests in equities; its performance is primarily influenced by

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company-specific changes and changes in the economic environment.

Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.

Moreover, investments in growth sectors or in small and mid-caps carry higher price risk.

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

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

- a) that a low volume of trading in the securities, or a lack thereof, on the corresponding securities market may lead to liquidity squeezes and relatively higher fluctuations in prices;
  - b) of uncertainty in the political, economic and social conditions and the related risks of expropriation or confiscation, the risk of unusually high inflation rates, prohibitive taxation measures and other negative developments;
  - c) of the possibility of considerable fluctuations in the exchange rate, differences in the rule of law, the existing or potential currency export restrictions, customs or other restrictions and any laws or other restrictions which apply to investments;
  - d) of political or other circumstances which restrict the investment opportunities of the sub-fund such as, for example, restrictions on issuers or industries which are classified as sensitive to national interests, and
  - e) of the absence of appropriately developed legal structures for private or foreign investments and the
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risk of a possible lack of protection of private ownership.

Currency export restrictions or other related regulations in these countries may also lead to complete or partial delays in the repatriation of the investments, or fully or partly prevent this, with the consequence of possible delays in the payment of the redemption price.

Risks related to

- **Sustainability Risks (i.a. Emerging Markets)**

are described in section 3.2.2 “Sub-Funds’ Specific Risk Profile”.

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<b>Investment manager</b>	Bank J. Safra Sarasin AG., Basel
<b>Risk monitoring method</b>	Commitment
<b>Investor profile</b>	The JSS Sustainable Equity – Future Health is suited for investors with a medium to long-term investment horizon seeking capital appreciation. The Sub-Fund is intended as a supplementary investment in equities for investors with a moderate to high risk tolerance.
<b>Valuation Day</b>	Each day banks are open for business in Luxembourg, USA and Switzerland. <sup>8</sup>
<b>Accounting currency</b>	USD
<b>Fees payable to the Management Company</b>	<p>The Sub-Fund has the share classes listed in section 5.1 “Description of Shares”.</p> <p>The management fee for the share classes currently available for subscription is as follows:</p> <p>P USD acc max. 2.00% p.a. P USD dist max. 2.00% p.a. P EUR acc max. 2.00% p.a. P EUR dist max. 2.00% p.a. P CHF acc max. 2.00% p.a. P CHF dist max. 2.00% p.a. C USD acc max. 1.50% p.a. C USD dist max. 1.50% p.a. C EUR acc max. 1.50% p.a. C EUR dist max. 1.50% p.a. C CHF acc max. 1.50% p.a. C CHF dist max. 1.50% p.a. C GBP acc max. 1.50% p.a. C GBP dist max. 1.50% p.a. I USD acc max. 1.00% p.a.</p>

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<sup>8</sup> Until 31 March 2021 the term “Valuation Day” is defined as each day banks are open for business in Luxembourg and Switzerland.

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I USD dist max. 1.00% p.a.  
I USD (BRL H1) acc max. 1.00% p.a.  
I EUR acc max. 1.00% p.a.  
I EUR dist Max. 1.00% p.a.  
I CHF acc max. 1.00% p.a.  
I CHF dist max. 1.00% p.a.  
I10 USD acc max. 1.10% p.a.  
Y USD acc max. 1.00% p.a.  
Y USD dist max. 1.00% p.a.  
Y EUR acc max. 1.00% p.a.  
Y EUR dist max, 1.00% p.a.  
Y CHF acc max. 1.00% p.a.  
Y CHF dist max. 1.00% p.a.  
E USD acc max. 1.80% p.a.  
E USD dist max. 1.80% p.a.  
E EUR acc max. 1.80% p.a.  
E EUR dist max. 1.80% p.a.  
E CHF acc max. 1.80% p.a.  
E CHF dist max. 1.80% p.a.  
M USD acc max. 0.12% p.a.

Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.

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

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**Fees payable by the investor**

Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:

Issue commission:

- maximum 3% of the subscription amount for Shares with 'P' and 'C' in the name.
- maximum 0% of the subscription amount for Shares with 'I', 'Y', 'E' and 'M' in the name.

Redemption commission: none.

A conversion shall be treated like a redemption.

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**Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**

Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.

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Payments for redemptions will ordinarily be made in the currency of the relevant Sub-Fund within two Bank Business Days of the relevant Valuation Day.

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## JSS Responsible Equity - India

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<b>General information</b>	<p>The Shares of JSS Responsible Equity –India will be issued for the first time at a date to be set by resolution of the Board of Directors. Following the Board of Directors’ resolution, confirmation of the Sub-Fund’s date of issue will be available at the registered office of the Management Company. All conditions in the prospectus that relate specifically to this Sub-Fund will only become effective as of the Sub-Fund’s date of issue.</p>
<b>Investment objective</b>	<p>The investment objective of the JSS Responsible Equity – India is to achieve long-term capital growth by investing in companies in India considering ESG criteria and other investments permitted under the investment policy.</p> <p>The Reference Currency of the Sub-Fund is the US Dollar (USD).</p>
<b>Investment policy</b>	<p>The assets of JSS Responsible Equity – India are mainly invested either directly (min. 51% of the Sub-Funds assets) or indirectly in all forms of equity securities (such as ordinary and preference shares, depositary receipts, etc.) domiciled in India, or whose business activities are concentrated in India or, in the case of holding companies, that are invested mainly in shares of companies domiciled in India.</p> <p>The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9.</p> <p>The Sub-Fund considers environmental, social and governance aspects (ESG) along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings.</p> <p>To this effect, the Sub-Fund systematically excludes issuers exposed to controversial activities as detailed by the “JSS standard exclusions” as described in chapter 3.1.</p> <p>The Sub-Fund is subject to a universe construction process which systematically assesses the Sustainability ratings of issuers by using J. Safra Sarasin’s proprietary and trademarked Sustainability</p>

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Matrix. The Sustainability Matrix visualizes the investment manager's proprietary ESG ratings of issuers which are derived from ESG data provided by external data providers. A worst-out or negative ESG screening approach is then used to eliminate the weakest ESG performers. The expectation is that this process reduces the global investment universe of all issuers for which data is available by roughly 15%.

The ESG portfolio reporting framework provides a relative and absolute assessment of the aggregate portfolio ESG performance on a range of financially-material ESG metrics. These ESG metrics are reviewed and discussed within the investment risk governance of the investment manager. Compliance with the ESG criteria is monitored independently and on an ongoing basis.

In order to ensure that the Sub-Fund's screening criteria are applied on an ongoing basis and remain in line with market developments, an interdisciplinary advisory board assists the investment manager with regard to the concept, selection criteria and definition of excluded activities. It discusses new scientific and social findings with the investment manager. The advisory board has no decision-making powers.

This implies that companies with controversial business activities or those violating international norms are excluded, following BJSS Standard Exclusion Criteria. Moreover, the Sub-Fund does not invest in securities of companies which, according to the results of the Bank J. Safra Sarasin proprietary ESG analysis, exhibit significant ESG shortcomings with regard to environmental protection, relations with stakeholders (employees, suppliers, general public, customers, competitors) or corporate governance. The Sub-Fund does not invest in securities of companies which, according to the results of the Bank J. Safra Sarasin sustainability analysis, exhibit significant shortcomings with regard to environmental protection, relations with stakeholders (employees, suppliers, general public, customers, competitors) or management if those shortcomings result in significant financial risks.

Provided that the requirements of Article 41 of the 2010 Law are met, the Sub-Fund may also participate in initial public offerings and invest up to 15% in shares of

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Indian small cap companies. Small cap companies are defined under the SEBI circular SEBI/HO/IMD/DF3/CIR/P/2017/114 as the 251st company and onwards in terms of average full market capitalization over a six-month period. The list of stocks and their capitalization categories will be prepared by the Association of Mutual Funds in India (AMFI) every six months and be published on their website - <https://www.amfiindia.com/research-information/other-data/categorization-of-stocks>.

The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to MSCI India NR Index (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. In addition, the Investment Manager integrates sustainable aspects which lead to an exclusion of investable Benchmark components. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark. The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash and money market instruments.

In addition, the Sub-Fund may invest up to 10% of its net assets in shares/units of other UCITS/UCIs (incl. money market funds) in accordance with the information contained in section 3.3 "Investment restrictions".

Investments can be made directly in equities or, if permitted, using the investment techniques and instruments described in section 3.4 "Use of derivatives and techniques and instruments".

USD is the accounting currency of the Sub-Fund, but the majority of the assets may be denominated in other currencies. Any foreign currency exposure is not intended to be hedged against the accounting currency.

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**Risk profile**

Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the shares can be sold for the original capital amount invested.

In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency, a currency risk exists.

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As JSS Responsible Equity – India invests in Indian equities, its performance is primarily influenced by company-specific changes and changes in the economic environment. The Sub-Fund’s exposure to a single country market increases potential volatility. Investments in mid-sized and particularly in small companies are partially characterized 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 market value of newly issued shares may fluctuate considerably owing to factors such as the lack of a prior public market, untested trading, low number of shares available for trading or limited information on issuers.

The Sub-Fund invests in Indian equity and equity-related securities thereby providing exposure to emerging markets which tend to be more volatile than mature markets and its value could move sharply up or down. In some circumstances, the underlying investments may become less liquid which may constrain the Investment Manager’s ability to realise some or all of the portfolio. The registration and settlement arrangements in emerging markets may be less developed than in more mature markets so the operational risks of investing are higher. Political risks and adverse economic circumstances are more likely to arise.

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

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

- a) that a low volume of trading in the securities, or a lack thereof, on the corresponding securities market

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may lead to liquidity squeezes and relatively higher fluctuations in prices;

b) of uncertainty in the political, economic and social conditions and the related risks of expropriation or confiscation, the risk of unusually high inflation rates, prohibitive taxation measures and other negative developments;

c) of the possibility of considerable fluctuations in the exchange rate, differences in the rule of law, the existing or potential currency export restrictions, customs or other restrictions and any laws or other restrictions which apply to investments;

d) of political or other circumstances which restrict the investment opportunities of the Sub-Fund such as, for example, restrictions on issuers or industries which are classified as sensitive to national interests, and

e) of the absence of appropriately developed legal structures for private or foreign investments and the risk of a possible lack of protection of private ownership.

As the Sub-Fund's investments are predominantly in currencies differing from the Accounting Currency, the Sub-Fund's performance is to a rather high degree subject to currency fluctuations.

Currencies of certain countries may be volatile and therefore may affect the value of securities denominated in such currencies. If the currency in which an investment is denominated appreciates against the Accounting Currency of the Sub-Fund, the value of the investment will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the investment.

Risks related to

- **Sustainability Risks (i.a. Emerging Markets)**

are described in section 3.2.2 "Sub-Funds' Specific Risk Profile".

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<b>Investment manager</b>	UTI International (Singapore) Private Limited
<b>Risk monitoring method</b>	Commitment
<b>Investor profile</b>	The Sub-Fund is suited for investors with a long-term investment horizon seeking capital appreciation, JSS Responsible Equity – India is intended as a supplementary investment in equities for investors with a medium to high risk tolerance.

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<b>Valuation Day</b>	Each day banks are open for business in Luxembourg, India and Singapore.
<b>Accounting currency</b>	USD
<b>Fees payable to the Management Company</b>	<p>The Sub-Fund has the share classes listed in section 5.1 "Description of Shares".</p> <p>The management fee for the share classes currently available for subscription is as follows:</p> <p>P USD acc max. 2.00% p.a.  P USD dist max. 2.00% p.a.  P EUR acc max. 2.00% p.a.  P EUR dist max. 2.00% p.a.  P CHF acc max. 2.00% p.a.  P CHF dist max. 2.00% p.a.  P GBP acc max. 2.00% p.a.  P GBP dist max. 2.00% p.a.  C USD acc max. 1.70% p.a.  C USD dist max. 1.70% p.a.  C EUR acc max. 1.70% p.a.  C EUR dist max. 1.70% p.a.  C CHF acc max. 1.70% p.a.  C CHF dist max. 1.70% p.a.  C GBP acc max. 1.70% p.a.  C GBP dist max. 1.70% p.a.  I USD acc max. 1.20% p.a.  I USD dist max. 1.20% p.a.  I EUR acc max. 1.20% p.a.  I EUR dist max. 1.20% p.a.  I CHF acc max. 1.20% p.a.  I CHF dist max. 1.20% p.a.  I GBP acc max. 1.20% p.a.  I GBP dist max. 1.20% p.a.  I10 USD acc max. 1.10% p.a.  I10 USD dist max. 1.10% p.a.  I10 EUR acc max. 1.10% p.a.  I10 EUR dist max. 1.10% p.a.  I10 CHF acc max. 1.10% p.a.  I10 CHF dist max. 1.10% p.a.  I10 GBP acc max. 1.10% p.a.  I10 GBP dist max. 1.10% p.a.</p> <p>Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be</p>

	<p>requested from the Company's registered office or the distributors.</p> <p>The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.</p>
<b>Fees payable by the investor</b>	<p><u>Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:</u></p> <p>Issue commission:</p> <ul style="list-style-type: none"> <li>• maximum 3% of the subscription amount for Shares with 'P' and 'C' in the name.</li> <li>• maximum 0% of the subscription amount for Shares with 'I' in the name.</li> </ul> <p>Redemption commission: none.</p> <p>A conversion shall be treated like a redemption.</p>
<b>Subscription and Redemption Deadline</b>	<p>Subscription and redemption orders must be received by the transfer agent one Bank Business Day before the Valuation Day, no later than 12.00 (noon) Luxembourg time ("Acceptance or Redemption Cut-Off Time").</p>
<b>Special provisions relating to the issue of Shares (change to section 5.3 of the prospectus)</b>	<p>Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two bank business days of the issue date.</p>

## **JSS Sustainable Equity – SDG Opportunities**

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### **General information**

The Shares of JSS Sustainable Equity – SDG Opportunities will be issued for the first time at a date to be set by resolution of the Board of Directors. Following the Board of Directors' resolution, confirmation of the Sub-Fund's date of issue will be available at the registered office of the Management Company. All conditions in the prospectus that relate specifically to this Sub-Fund will only become effective as of the Sub-Fund's date of issue.

The Management Company has entered into, amongst others, a strategic distribution relationship with Banca March S.A., Spain.

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### **Investment objective**

The Sub-Fund seeks to achieve long-term capital appreciation through equity investments. The Sub-Fund will invest according to the Bank J. Safra Sarasin AGs proprietary sustainability matrix and focus on companies whose revenues from products and services are contributing to the United Nations ("UN") Sustainable Development Goals ("SDG") as part of the Agenda 2030.

The Reference Currency of the Sub-Fund is the Euro (EUR).

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### **Investment policy**

JSS Sustainable Equity – SDG Opportunities invests mainly either directly (min. 51% of the Sub-Fund's assets) or indirectly in worldwide equity securities. Investments are made without any restriction as to the issuer's domicile across all market sectors. The Sub-Fund invests mainly in large-cap companies. Large-caps are defined as all companies that are in the top 80 percentile of the free float adjusted market capitalizations at the time the investment is made. Investments in micro-caps are not intended. Micro-caps are defined as all companies with a market capitalization of less than EUR 300 million at the time the investment is made. Investments in the securities mentioned above may also be made through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs) listed on recognized exchanges and markets issued by international financial institutions.

The Sub-Fund considers environmental, social and governance aspects (ESG, or sustainability) during the investment process. The Sub-Fund seeks to minimize the risks and exploit the opportunities associated with

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sustainability megatrends such as resource shortages, demographic change, climate change, accountability, etc. The process of selecting sustainable securities focuses on issuers that are leading providers in their respective peer group when it comes to solid corporate governance, strategic management of environmental issues and proactive stakeholder relationships. Controversial business activities or those violating international norms are excluded. The Sub-Fund champions sustainable development through its stock selection process and its active shareholder engagement (dialogue with company managements and exercising of voting rights). The Sub-Fund's sustainable investment objectives are aligned with SFDR Art. 9, the Paris Agreement and J. Safra Sarasin's corresponding Climate Pledge to achieve carbon-neutrality in portfolios by 2035.

The methodology for the objective-setting process is derived from the EU Climate-Transition-Benchmark-Regulation where the objective is to keep the carbon footprint (claims on carbon emissions per million USD invested) below a certain threshold of -30% below the carbon footprint of the Sub-Fund's reference market. Each year the threshold is being reduced by at least 7% on average, in line with or beyond the decarbonisation trajectory from the International Panel on Climate Change (IPCC)'s 1.5°C scenario (with no or limited overshoot). From 2034 to 2035, the Sub-Fund's carbon footprint aims at falling to (net-)zero.

Furthermore, at least 90% of the Sub-Fund's assets are invested in companies that benefit from the alignment of their business activities to one or more of the 17 UN SDGs of the Agenda 2030. Alignment to the UN Sustainable Development Goals is achieved when a company provides products and services catering to investment themes which are linked to the SDGs, such as:

- Climate Action,
- Water Scarcity,
- Waste Management,
- Food Availability,
- Health & Well-Being,
- Improving Infrastructure and Demographics among others.

The SDG alignment of a company is evaluated independently from financial success. The objective is to invest in a portfolio of companies of which the

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average share of “SDG-related” to total revenues is 30% across the portfolio

To align the Sub-Fund with the ‘do not significantly harm’ principles, it integrates environmental, social and governance aspects (ESG) along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. Moreover the Sub-Fund aims for an above-average ESG profile for individual holdings as well the entire portfolio based on the investment manager’s Sustainability Matrix described in Section 3.1, in order to endorse sustainable business practices.

To this effect, the Sub-Fund systematically excludes issuers exposed to controversial activities as detailed by the “JSS standard exclusions” as described in chapter 3.1. Additionally, the following exclusions apply: fracking, tar sands and conventional coal, oil and gas (>5%).

The Sub-Fund is subject to a universe construction process which systematically screens by Sustainability ratings for better-performing issuers by using J. Safra Sarasin’s proprietary and trademarked Sustainability Matrix. The Sustainability Matrix visualizes the investment manager’s proprietary ESG ratings of issuers which are derived from ESG data provided by external data providers. A best-in-class or positive ESG screening approach is then used to build an investment universe with the stronger ESG performers. The expectation is that this process reduces the global investment universe of all issuers for which data is available by more than 50%.

In addition, the investment manager uses proprietary bottom-up investment research where ESG factors are embedded. The portfolio manager enhances the financial assessment with ESG, SDGs, climate and other sustainability performance data to get a holistic view of the investment case in order to make a better informed decision.

The ESG portfolio reporting framework provides a relative and absolute assessment of the aggregate portfolio ESG performance on a range of financially-material ESG metrics. These ESG metrics are reviewed and discussed within the investment risk governance of the investment manager. Compliance

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with the ESG criteria is monitored independently and on an ongoing basis.

In order to ensure that the Sub-Fund's screening criteria are applied on an ongoing basis and remain in line with market developments, an interdisciplinary advisory board assists the investment manager with regard to the concept, selection criteria and definition of excluded activities. It discusses new scientific and social findings with the investment manager. The advisory board has no decision-making powers.

Engagement with issuers is performed on an ongoing basis provides an opportunity to improve the investment manager's understanding of investee companies. By working individually or collaboratively with other investors the investment manager aims to influence companies and promote sustainable growth.

On Proxy Voting, the investment manager has its own customized guidelines that reflect the overall sustainable investment approach and research methodology and systematically incorporates ESG considerations identified through internal and external research.

The Sub-Fund is actively managed without replicating any benchmark. The Sub-Fund is managed without reference to any benchmark.

Provided that the requirements of Article 41 of the 2010 Law are met, the Sub-Fund may also participate in initial public offerings.

The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash, money market instruments and fixed or floating rate debt securities with an investment grade rating.

In addition derivative instruments may be used for investment and hedging purposes in accordance with the information contained in section 3.3. "Investment restrictions" respectively 3.4 "Use of derivatives and techniques and instruments".

EUR is the accounting currency of the Sub-Fund, but a large part of the assets may be denominated in other currencies. Any foreign currency exposure is not intended to be hedged against the accounting currency.

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**Risk profile**

Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.

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In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.

As JSS Sustainable Equity – SDG Opportunities invests in equities; its performance is primarily influenced by company-specific changes and changes in the economic environment.

While micro-caps will not be part of target investments in the Sub-Fund's portfolio, the portfolio may include investments in small- and mid-caps. Due to the lack of a consistent definition of small- and mid-caps in the various geographic areas where these investment are made, these investments may be exposed to certain fluctuations.

Shares of small- and mid-caps may be exposed to greater price fluctuations and have a low trading volume, which can be detrimental to the saleability under restricted market conditions.

Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.

Risks related to

- **Sustainability Risks**

are described in section 3.2.2 "Sub-Funds' Specific Risk Profile".

<b>Investment manager</b>	Bank J. Safra Sarasin AG, Basel
<b>Risk monitoring method</b>	Commitment
<b>Investor profile</b>	The JSS Sustainable Equity – SDG Opportunities is suited for investors with a medium to long-term investment horizon seeking capital appreciation. The Sub-Fund is intended as a supplementary investment in global equities for investors wishing to support future-oriented sustainable development goals and with a moderate to high risk tolerance.
<b>Valuation Day</b>	Each day banks are open for business in Luxembourg and Switzerland
<b>Accounting currency</b>	EUR
<b>Fees payable to the Management Company</b>	The Sub-Fund has the share classes listed in section 5.1 "Description of Shares". The management fee for the share classes currently available for subscription is as follows: P EUR acc max. 2.00 % p.a. P EUR dist max. 2.00 % p.a.

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P USD acc max. 2.00 % p.a.  
 P USD dist max. 2.00 % p.a.  
 P CHF acc max. 2.00 % p.a.  
 P CHF dist max. 2.00 % p.a.  
 C EUR acc max. 1.50 % p.a.  
 C EUR dist max. 1.50 % p.a.  
 C USD acc max. 1.50 % p.a.  
 C USD dist max. 1.50 % p.a.  
 C CHF acc max. 1.50 % p.a.  
 C CHF dist max. 1.50 % p.a.  
 I EUR acc max. 1.00 % p.a.  
 I EUR dist max. 1.00 % p.a.  
 I USD acc max. 1.00 % p.a.  
 I USD dist max. 1.00 % p.a.  
 I CHF acc max. 1.00 % p.a.  
 I CHF dist max. 1.00 % p.a.  
 Y EUR acc max. 1.00 % p.a.  
 Y EUR dist max. 1.00 % p.a.  
 Y USD acc max. 1.00 % p.a.  
 Y USD dist max. 1.00 % p.a.  
 Y CHF acc max. 1.00 % p.a.  
 Y CHF dist max. 1.00 % p.a.  
 M EUR acc max. 0.12 % p.a.  
 M USD acc max. 0.12 % p.a.  
 M CHF acc max. 0.12 % p.a.  
 BM-P EUR acc max. 2.00 % p.a.  
 BM-P USD acc max. 2.00 % p.a.  
 BM-X EUR acc max. 1.50 % p.a.  
 BM-X USD acc max. 1.50 % p.a.  
 BM-I EUR acc max. 1.00 % p.a.  
 BM-I USD acc max. 1.00 % p.a.  
 Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.

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

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**Fees payable by the investor**

Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are as follows:

Issue commission:

- maximum 3% of the subscription amount for Shares with 'P', 'C' and 'BM-P' in the name.
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- maximum 0% of the subscription amount for Shares with 'I', 'M', 'Y', BM-I and BM-X in the name.

Redemption commission: none.

A conversion shall be treated like a redemption.

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**Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**

Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.

Payments for redemptions will ordinarily be made in the currency of the relevant Sub-Fund within two Bank Business Days of the relevant Valuation Day.

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## SCHEDULE I: BENCHMARK INVENTORY

Legend:

n.a.: not applicable

n.d.a.: no data available

Name of the Sub-fund	Name of Benchmark	Benchmark Administrator	Being an EU-Administrator			Being a Non EU-Administrator				Third-country Benchmark
			listed in the ESMA administrator register referred to in article 36 (i.e. ESMA public register)	not listed in the ESMA administrator register - in the process of obtaining registration pursuant to Article 34	not listed in the ESMA administrator register - has not yet applied for authorisation or registration pursuant to Article 34	listed in the ESMA administrator register referred to in article 36 as an administrator, who complies with the conditions laid down in article 30(1)	listed in the register referred to in articles 36 as an administrator, who has acquired recognition in accordance with article 32	listed in the ESMA administrator register referred to endorsement under article 33	does not comply with the conditions laid down in article 30(1) nor has it acquired recognition in accordance with article 32	
JSS Global Allocation	45% ICE BofA 1-10Y US Corporate & Government Index	ICE Data Indices, LLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes.	n.a.
	45% MSCI All Countries World NR Index in USD	MSCI Limited	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes.	n.a.
	10% ICE BofA USD 3M Deposit Bid Rate Average Index	ICE Data Indices, LLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes.	n.a.
JSS Bond – Global Convertibles	Refinitiv Global Focus Hedged Convertible Bond Index USD-hedged	Refinitiv Benchmark Services Limited	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes.	n.a.
JSS Bond – Asia Opportunities	JACI Investment Grade TR Index	J.P. Morgan Securities PLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes.	n.a.
JSS Sustainable Bond – Global High Yield	ICE BofA Global High Yield Index USD hedged	ICE Data Indices, LLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes.	n.a.

Name of the Sub-fund	Name of Benchmark	Benchmark Administrator	Being an EU-Administrator			Being a Non EU-Administrator				Third-country Benchmark
			listed in the ESMA administrator register referred to in article 36 (i.e. ESMA public register)	not listed in the ESMA administrator register - in the process of obtaining registration pursuant to Article 34	not listed in the ESMA administrator register - has not yet applied for authorisation or registration pursuant to Article 34	listed in the ESMA administrator register referred to in article 36 as an administrator, who complies with the conditions laid down in article 30(1)	listed in the register referred to in articles 36 as an administrator, who has acquired recognition in accordance with article 32	listed in the ESMA administrator register referred to endorsement under article 33	does not comply with the conditions laid down in article 30(1) nor has it acquired recognition in accordance with article 32	
JSS Sustainable Equity – Global Multifactor	MSCI World NR Index	MSCI Limited	n.a.	n.a	n.a	n.a	n.a	n.a	Yes	n.a
JSS Sustainable Equity – European Smaller Companies	MSCI Europe Small Caps NR Index	MSCI Limited	n.a.	n.a	n.a	n.a	n.a	n.a	Yes	n.a
JSS Sustainable Equity – Future Health	none	none	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
JSS Responsible Equity - India	MSCI India NR Index	MSCI Limited	n.a.	n.a	n.a	n.a	n.a	n.a	Yes	n.a
JSS Sustainable Equity – SDG Opportunities	none	none	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

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