



Swisscanto
Asset Management
International S.A.

Swisscanto (LU)

Sales Prospectus | March 2021

Swisscanto (LU)

(hereinafter the "Fund")

An investment fund under Luxembourg law

Sales Prospectus

March 2021

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

Only the information contained in this Sales Prospectus and in one of the publicly accessible documents referred to therein is deemed to be valid and binding. If you are in any doubt about the content of this Sales Prospectus, you should consult someone who can give detailed information about the Fund.

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

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

Management and administration

Management Company

Swisscanto Asset Management International S.A.

19, rue de Bitbourg, L-1273 Luxembourg

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

The Memorandum and Articles of Association of the Fund Management Company were published in their original version in the "Mémorial C", *Recueil des Sociétés et Associations*, the official gazette of the Grand Duchy of Luxembourg (hereinafter the "Mémorial"), of 12 December 2006.

The current version of the Articles of Association of Swisscanto Asset Management International S.A. dated 13 August 2015 has been filed with the Luxembourg Trade and Companies Register,

where it is available for inspection. The Management Company has been registered with the Luxembourg Trade and Companies Register (RCS) under number B 121.904.

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

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

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

The Management Company also manages the following funds, among others:

- Swisscanto (LU) Bond Fund
- Swisscanto (LU) Equity Fund
- Swisscanto (LU) Money Market Fund
- Swisscanto (LU) Portfolio Fund

Board of Directors

Chairman:

Hans Frey, Switzerland

Managing Director Swisscanto Fondsleitung AG, Zurich

Members:

- Richard Goddard, Luxembourg
Independent Company Director, The Directors' Office, Luxembourg
- Roland Franz, Luxembourg
Managing Director Swisscanto Asset Management International S.A., Luxembourg
- Martin Friedli, Switzerland
Product Manager Investment Funds, Zurich Kantonalbank, Zurich
- Annemarie Arens, Luxembourg

Swisscanto Asset Management
International S.A.

Independent Company Director, Luxembourg

Management

Members:

- Roland Franz, Luxembourg
- Michael Weiß, Germany

Portfolio Manager

Zürcher Kantonalbank

Bahnhofstrasse 9, 8001 Zurich, Switzerland

The management of the Fund assets has been contractually assigned to Zürcher Kantonalbank, Zurich (hereinafter referred to as "Portfolio Manager").

Zürcher Kantonalbank was founded in Zurich in 1870 as an independent public-law institution of the canton of Zurich. It has many years of experience in asset management. The exact execution of duties is governed by an asset management agreement concluded between Swisscanto Asset Management International S.A. and Zürcher Kantonalbank.

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

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

Depositary, Principal Paying Agent, Central Administration Agent, Registrar, Transfer Agent

RBC Investor Services Bank S.A.

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

Depositary and Principal Paying Agent

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

- (a) safekeeping of assets,
- (b) monitoring functions,
- (c) monitoring of cash flows and
- (d) Principal Paying Agent functions.

in accordance with the UCI Act and the Depositary and Principal Paying Agent Agreement concluded between the Management

Company, acting on behalf of the Fund, and the Depositary, of 18 March 2016 (the "Depositary Agreement").

The Depositary Agreement has been concluded for an indefinite period and may be terminated by either party at the end of any calendar month by giving 90 days' written notice.

RBC Investor Services Bank S.A. has been registered with the Luxembourg Trade and Companies Register (RCS) under number B-47192 and was set up in 1994 under the name "First European Transfer Agent". It holds a banking licence under the Luxembourg law of 5 April 1993 on the financial services sector and specialises in depositary, fund management and related services. As at 31 October 2019, it had equity capital of approximately EUR 1,226,823,732.

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

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

An up-to-date description of the custody functions delegated by the Depositary and an up-to-date list of the third parties and sub-depositaries appointed may be obtained on request from the Depositary or via the following link:

<http://gmi.rbcits.com/rt/gss.nsf/Royal+Trust+Updates+Mini/53A7E8D6A49C9AA285257FA8004999BF?opendocument>.

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

The Depositary's monitoring functions include ensuring that:

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

- the Fund's net income is appropriated in accordance with the UCI Act and the Management Regulations.

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

Conflicts of interest on the part of the Depositary

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

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

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

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

independently and objectively as well as evaluates internal control procedures and administrative processes in terms of suitability and efficiency.

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

The current conflicts of interest policy is available from the Depositary on request or via the following link:

https://www.rbcits.com/AboutUs/CorporateGovernance/p_InformationOnConflictsOfInterestPolicy.aspx.

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

Central Administration Agent

The Management Company has delegated its duties as the Fund's Central Administration Agent (the "Central Administration Agent") to RBC Investor Services Bank S.A. (the "Bank") under the Central Administration Agreement of 12 October 2009. The Central Administration Agreement has been concluded for an indefinite period and may be terminated by either party by giving 90 days' written notice.

In its capacity as Central Administration Agent, the Bank is required to keep the Fund's books in accordance with generally accepted accounting principles and the laws of Luxembourg; to calculate on a regular basis the net asset value of the Fund's units under the supervision of the Management Company; to draw up the Fund's annual and semi-annual accounts and to prepare, for the auditor, the annual and semi-annual reports in accordance with the laws of Luxembourg and the requirements of the Luxembourg supervisory authority; to perform all other duties of the Central Administration Agent.

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

Registrar and Transfer Agent:

The Management Company has delegated its duties as the Fund's Registrar and Transfer Agent (the "Registrar and Transfer Agent") to RBC Investor Services Bank S.A. under the Central Administration Agreement of 12 October 2009. The Central Administration Agreement has been concluded for an indefinite period and may be terminated by either party by giving 90 days' written notice.

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

The Fund's Registrar and Transfer Agent is responsible for taking appropriate measures to ensure compliance with the regulations governing the prevention of money laundering in accordance with the legislation in force in the Grand Duchy of Luxembourg and to observe and implement the circulars of the Luxembourg supervisory authority (the *Commission de Surveillance du Secteur Financier*, hereinafter "CSSF").

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

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

Independent auditors

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

Specific provisions governing the sale of units in Singapore

Information regarding the Paying and Information Agent for unitholders in Singapore are provided as of page 28 of this Sales Prospectus.

Swisscanto (LU)

Details

1. General Information about the Fund

1.1 Legal aspects

Swisscanto (LU) (hereinafter referred to as the “Fund”) is an open-ended investment fund under Luxembourg law. The Fund is managed by the Luxembourg public limited company Swisscanto Asset Management International S.A. RBC Investor Services Bank S.A. has been entrusted with the duties of Depositary.

The Fund was established on 5 December 2006 and first offered for subscription in January 2007 in the form of the Swisscanto (LU) Capital Protect 2014 sub-fund.

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

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

The portfolios and other assets of the Fund are managed by the Management Company as a discrete pool of assets in the interests and for the account of the unitholders.

The Fund assets in their entirety are jointly owned by all the investors, who hold equal entitlements in proportion to their holdings. The assets of the Fund are separate from those of the Management Company. The Management Regulations make no provision for a meeting of unitholders. By subscribing for or acquiring units, the unitholder agrees to abide by the Management Regulations.

Unitholders, their heirs and other beneficiaries may not demand the dissolution, division or merger of the Fund.

The Fund is not limited in terms of duration or total assets, and its financial year ends on 31 March.

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

The Management Regulations of the Fund were published for the first time on 17 January 2007 in the “Mémorial”. A notice of the most recent amendment is published in the electronic platform for companies and associations (*Recueil Electroniques des Sociétés et Associations*, hereinafter “RESA”). The current

version of the Management Regulations dated 5 October 2020 has been filed with the Luxembourg Trade and Companies Register, where it is available for inspection.

1.1.1 Liquidation

The Management Company is entitled to dissolve the Fund or individual sub-funds at any time. The Fund must be dissolved and liquidated if its total net assets fall short of a quarter of the statutory minimum requirement for fund assets for more than six months. If the net assets of a sub-fund fall below CHF 500,000 or the equivalent in another currency, or should economic, legal or monetary circumstances change, the Management Company may decide to dissolve a sub-fund, merge sub-funds or incorporate a sub-fund into another open-ended investment fund in accordance with Part I of the UCI Act. The decision to dissolve or liquidate the Fund will be published in the RESA and in at least two other newspapers, including the “Luxemburger Wort”. From the day on which the dissolution and liquidation decision is made, no further units will be issued or redeemed. In the event of the dissolution and liquidation of a sub-fund, this applies only to the sub-fund in question. Upon liquidation, the Management Company will realise the Fund assets in the best interests of the unitholders and will instruct the Depositary to distribute the net liquidation proceeds to the unitholders in proportion to their holdings. Any liquidation proceeds that could not be distributed to the unitholders at the end of the liquidation process will be deposited with the *Caisse de Consignation* in Luxembourg until their distribution becomes statute-barred.

1.1.2 Merger

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

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

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

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

1.2 Structure of the Fund

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

The Management Company may decide at any time to create further sub-funds or groups of sub-funds. The Management Company will notify the unitholders and amend the Sales Prospectus accordingly.

1.3 Unit classes

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

An overview of the active unit classes is available free of charge from the Management Company and is also published on the website www.swisscanto.com.

1.4 Distinctive features of unit classes

The unit classes differ in terms of the following characteristics:

- investor base,
- appropriation of net income,
- reference currency,
- currency hedging and
- fee rates.

1.4.1. Investor base or characteristics of the unit classes

The investor base of the unit classes are as follows:

a) Class A units

Class A units are open

- to all investors and
- may be offered by all distributors.

For class A units, an all-in fee is charged to the Fund assets.

b) Class B units

Class B units are offered to all investors

- who have concluded a written investment advisory or other agreement with a cooperation partner that includes authorisation for class B units, and

- provided a cooperation agreement exists between the cooperation partner and a company in the Swisscanto Group.

For class B units, an all-in fee is charged to the Fund assets.

c) Class C units

Class C units are offered to all investors

- who have concluded a written, long-term investment advisory agreement with a cooperation partner that includes authorisation for class C units, and
- provided a cooperation agreement exists between the cooperation partner and a company in the Swisscanto Group.

For class C units, an all-in fee is charged to the Fund assets.

d) Class D units

Class D units are only open

- to institutional investors as defined in section 1.4.1 j) of this Sales Prospectus and
- may in principle be offered by all distributors.

For class D units, an all-in fee is charged to the Fund assets

e) Class G units

Class G units are only open to investors that meet the following conditions:

- The investors are institutional investors as defined in section 1.4.1. j) of this Sales Prospectus.
- The investors have concluded a written, continuing investment agreement with a bank or other professional entity operating in the financial sector.
- Banks and other professional entities operating in the financial sector may only offer or subscribe to the units for the account of a third party if a corresponding cooperation agreement exists with a company in the Swisscanto Group.

For class G units, an all-in fee is charged to the Fund assets.

f) Class J units

Class J units are only open to investors that meet the following conditions:

- The investors are institutional investors as defined in section 1.4.1. j) of this Sales Prospectus, and
- the investors are intermediaries.

For class J units, an all-in fee is charged to the Fund assets.

g) Class M units

Class M units are offered only to investors

- who have concluded a written, continuing investment advisory agreement with Zürcher Kantonalbank that includes authorisation for the unit classes listed above, and
- provided Zürcher Kantonalbank has concluded a cooperation agreement with a company in the Swisscanto Group.

The Management Company is compensated by Zürcher Kantonalbank, Zurich, for the management of the Fund (i.e. running the Fund, asset management as well as distribution and other costs that arise, if compensation is made for such costs; in

Swisscanto Asset Management
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particular, fees and costs of the Depositary) not by the all-in fee but by the remuneration set out in the above investment advisory agreement. No all-in fee is therefore charged to the Fund assets.

h) Class N units

Class N units are open to investors that are acting for their own account and meet the following conditions:

- The investors are institutional investors as defined in section 1.4.1. j) of this Sales Prospectus.
- The investors have concluded an individual investment agreement or individual discretionary management agreement with Zürcher Kantonalbank or a cooperation partner of Zürcher Kantonalbank.
- Cooperation partners can only offer the units if a corresponding cooperation agreement exists with Zürcher Kantonalbank.

In addition, class N units are open to investors that meet the following conditions:

- The investors are institutional investors as defined in section 1.4.1. j) of this Sales Prospectus.
- The investors have concluded a service agreement (written asset management agreement, written advisory agreement, written investment agreement or other written service agreement) with a bank or a company in the Swisscanto Group.
- Banks can only offer or subscribe to the units for the account of a third party if a corresponding cooperation agreement exists with a company in the Swisscanto Group.

The Management Company is compensated for the management of the Fund (i.e. running the Fund, asset management, distribution and other costs that arise, if compensation is made for such costs; in particular, fees and costs of the Depositary) not by the all-in fee, but by the remuneration set out in the above agreements between the investor, on the one hand, and Zürcher Kantonalbank or a cooperation partner of Zürcher Kantonalbank, a company in the Swisscanto Group or a bank, on the other. No all-in fee is therefore charged to the Fund assets.

i) Class S units

Class S units are only

- open to Swisscanto Asset Management International S.A. or
- other management companies that have concluded a cooperation agreement with Swisscanto Asset Management International S.A.

Class S units are issued in the corresponding currency (unit of account), initially in the amount of 100,000 (JPY 10,000,000); no all-in fee is charged.

The remuneration due to the Management Company and its agents for running the Fund, asset management and, if applicable, distribution is not charged to the Fund assets but is paid separately on the basis of an individual agreement or

arrangement between Swisscanto Asset Management International S.A. and the investor.

j) Institutional investors

The following are deemed to be institutional investors:

- banks and other professional entities operating in the financial sector, whether acting for their own account or acting on behalf of other institutional investors or on behalf of non-institutional clients under a discretionary management agreement;
- public entities that invest their own assets;
- insurance and reinsurance companies;
- pension schemes;
- industrial, commercial and group finance companies;
- undertakings for collective investment;
- holding companies or similar companies whose shareholders are all institutional investors;
- family holding companies or similar entities whose purpose is to hold financial investments for very high net worth individuals or families;
- holding companies or similar entities that, in view of their structure and business dealings, possess genuine intrinsic value independently of the beneficial owners as well as hold significant financial investments.

1.4.2 Appropriation of net income

Furthermore, the unit classes differ in terms of the appropriation of net income.

Unit classes with an "A" as the second letter of their name, e.g. AA or MA CHF, are issued as distribution units. Under Article 12 of the Management Regulations, the Management Company will decide, after closing the annual accounts, whether and to what extent distributions are to be made on distribution units. The intention is to pay out the majority of earnings on distribution units. Unit classes with a "T" as the second letter of their name, e.g. AT or MT CHF, are issued as accumulation units. No distributions are planned for these unit classes. After the deduction of general costs, net income will be used to increase the net asset value of the units (accumulation).

1.4.3 Reference currency

If the reference currency of a unit class differs from the sub-fund's currency of account, three letters representing the abbreviation of the relevant currency are suffixed to the name of the unit class.

Unit classes whose reference currency differs from the sub-fund's currency of account can therefore be distinguished as follows:

- unit classes with "CHF" as the last three letters of their name, e.g. AT CHF or MA CHF, have the Swiss franc (CHF) as reference currency for the unit class concerned, or
- unit classes with "EUR" as the last three letters of their name, e.g. AT EUR or MA EUR, have the euro (EUR) as reference currency for the unit class concerned.

1.4.4 Currency hedging

The unit classes differ in terms of currency hedging:

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

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

1.4.5 Fee rates

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

Sub-fund name		Currency of account	Unit classes	Max. Agency fee	Max. annual all-in fee (AIF) ¹	Max. annual flat management fee ¹	Max. annual flat administration fee ¹
1.	Swisscanto (LU) Equity Fund Sustainable Emerging Markets	USD	A	5.0%	2.50%	2.20%	0.50%
			B	5.0%	1.90%	1.60%	0.50%
			C	5.0%	1.75%	1.40%	0.50%
			D	5.0%	1.70%	1.55%	0.25%
			G	5.0%	1.50%	1.30%	0.25%
			J	5.0%	1.80%	1.60%	0.25%
			M	5.0%	0.00%	0.00%	0.00%
			N	5.0%	0.00%	0.00%	0.00%
			S	5.0%	0.00%	0.00%	0.00%
	Swisscanto (LU) Portfolio Fund Responsible Dynamic 0-50	CHF	A	3.0%	2.00%	1.60%	0.50%
			B	3.0%	1.50%	1.20%	0.50%
			C	3.0%	1.30%	1.05%	0.50%
			D	3.0%	1.20%	0.95%	0.25%
			G	3.0%	1.00%	0.80%	0.25%
			J	3.0%	1.50%	1.35%	0.25%
			M	3.0%	0.00%	0.00%	0.00%
			N	3.0%	0.00%	0.00%	0.00%
3.	Swisscanto (LU) Commodity Fund ex-Agriculture & Livestock	USD	S	3.0%	0.00%	0.00%	0.00%
			A	5.0%	2.00%	1.60%	0.50%
			B	5.0%	1.50%	1.20%	0.50%
			C	5.0%	1.30%	1.05%	0.50%
			D	5.0%	1.20%	0.95%	0.25%
			G	5.0%	1.00%	0.80%	0.25%
			M	5.0%	0.00%	0.00%	0.00%
			N	5.0%	0.00%	0.00%	0.00%
			S	5.0%	0.00%	0.00%	0.00%

1.5 Investor profile

The sub-funds are primarily intended for private investors. A number of sub-funds also issue classes of units which are reserved for institutional investors.

The sub-fund is suitable for investors with a long-term investment horizon who are primarily seeking growth in their invested capital. Investors are able to accept relatively strong fluctuations and a relatively protracted decline in the net asset value of the Fund's units. They are familiar with the principal risks involved in equity investments and aware that equity

Swisscanto (LU) Equity Fund Sustainable Emerging Markets

¹The all-in fee is made up of two components: the flat management fee and the flat administration fee. The sum of the flat management fee and flat administration fee booked may not exceed the rate for the maximum all-in fee. The fees booked are reported in the annual and semi-annual reports.

investments in emerging markets entail a greater degree of risk than in more developed countries.

Swisscanto (LU) Portfolio Fund Responsible Dynamic 0 - 50

The sub-fund is suitable for investors wishing to invest worldwide in a mixed portfolio of equities and interest-bearing investments and with a medium to long-term investment horizon. Investors are able to accept relatively strong fluctuations and a protracted decline in the net asset value of the Fund's units. They are aware of the principal risks involved in a mixed portfolio.

1.6 Risk notice

1.6.1 General information

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

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

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

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

Bonds or debt instruments involve a credit risk in relation to the issuer, for which the issuer's credit rating can serve as a yardstick. The bonds or debt instruments of issuers with a lower rating are generally viewed as securities with a higher credit risk and greater likelihood of the issuer defaulting than the securities of issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulty, this may affect the value of the bonds or debt instruments (it may fall to zero) and the payments made on these bonds or debt instruments (they may fall to zero). By contrast with convertible bonds and bonds-cum-warrants, in the case of contingent convertible capital bonds, conversion into shares is, as a rule, mandatory if the issuer falls below the equity ratio. Contingent convertible bonds are issued mainly by financial intermediaries, which may result in exposure to sector-specific risks.

Equity investments are also subject to risks. The prices of investments may both rise and fall against the original price. This depends, in particular, on the development of capital markets and national economies as a whole, as well as individual sectors in those economies, or on the specific developments affecting the issuers in question. The credit risk associated with an investment in equity securities and participation rights cannot be completely eliminated, even with careful selection.

1.6.2 Derivative instruments

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

Exposure on the futures and options market and to swaps and foreign exchange is associated with investment risks and transaction costs. These risks include among others:

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

1.6.3 Sub-funds with currency classes

Unit classes hedged against foreign currency risk:

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

1.6.4 Investments in emerging markets and developing countries

Various risks are associated with investment in securities in newly industrialising countries. These mainly relate to the terrific pace of the economic development process that some of these countries are going through, and in this connection no assurance can be given that this development process will continue in future years. Furthermore, the low capitalisations of most of these markets tend to make them volatile and illiquid. Other factors – such as political changes, exchange rate movements, stock market supervision, taxes, restrictions on foreign investment and repatriation of foreign capital, etc. – may also impair the marketability of stocks and the earnings they produce. Furthermore, these companies may be subject to much less intensive state supervision and relatively undifferentiated legislation. Their accounting and auditing do not always meet the standards to which we are accustomed.

Investing Fund assets in units of target funds also gives rise to the risk that the net asset value of a target fund may be calculated incorrectly. This would inevitably have undesirable consequences for the calculation of net asset value of the sub-fund investing in such target funds.

Where target funds are sub-funds of an umbrella fund, the acquisition of units may give rise to an additional risk if the umbrella fund is responsible to third parties for the entirety of each sub-fund's liabilities.

1.6.5 Risks associated with securities lending

a) Counterparty risk

Securities lending involves counterparty risk, i.e. the risk that the loaned securities are not returned or not returned in a timely manner. The principal and the issuer of securities are required to have a very high credit rating, while the securities should have a good credit rating. A very high credit rating means at least a AA rating and refers to the long-term rating

of recognised rating agencies; the median of the long-term ratings of the rating agencies is applied.

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

b) Risk of price changes

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

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

c) Liquidity risk

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

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

d) Operational risk

If a borrower fails to return securities borrowed from a sub-fund, there is a risk that the collateral provided will have to be sold at a lower value than that of the securities originally borrowed. To avoid such a loss, haircuts are applied to the collateral. Regardless of these risks, various factors (e.g. the incorrect valuation of collateral, negative market performance, a credit downgrade of the issuer, or the illiquidity of the market on which the collateral is traded) may result in the use of collateral having a negative impact, which in turn can lead to a negative performance by the sub-fund. There is also the risk that the borrowed securities cannot be returned within the given deadline. In this case, the borrower is obliged to compensate in full for any losses suffered as a result of the recovery of the security.

1.6.6 Risks associated with investments in commodities

Commodities markets can perform differently to traditional securities markets.

Investments in commodities can be highly volatile and undergo sudden, sustained fluctuations.

Demand for commodities, as well as phases of increased speculation that may arise, can increase market volatility. In addition, the price of a given commodity is chiefly dependent on global demand for that commodity. Finally, commodities are frequently produced in countries where the political and social situation is unstable, which can have an effect on the production and supply, and thus on pricing. In the case of rare earth metals in particular, irrational market behaviour can cause price fluctuations.

1.7 Risk management procedure

The Management Company will apply a risk management procedure for the Fund and each sub-fund in compliance with the UCI Act and other applicable provisions, in particular CSSF Circulars 11/512 and 13/559, CSSF Regulation 10-4 and CESR Guidelines 10-788. As part of the risk management process, the overall risk of the sub-funds is measured and monitored using the commitment approach.

This approach entails converting positions in derivative financial instruments into the corresponding underlying positions.

1.8 Historical performance

For the historical performance of the sub-funds, see the Key Investor Information Documents ("KIID").

2 Investment objective and investment policy

2.1 Investment objective

The sub-funds seek to achieve long-term capital growth combined with an appropriate return, while taking into account capital preservation and the liquidity of Fund assets.

The objective of sub-funds with "Sustainable" in the name is to invest in sustainable assets.

The investment objective of sub-funds with the word "Responsible" in their name is non-sustainable investment within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (hereinafter "SFDR").

2.2 Subfund-specific investment policy

2.2.0 General information

The sub-funds use derivatives for hedging purposes and for efficiently implementing the portfolio strategy.

2.2.1 Sustainability policy

Responsible approach

For sub-funds with "Responsible" in the name, the asset manager follows an approach that integrates the specific aspects of environmental, social and governance ("ESG") issues into the investment process.

This means that business sustainability criteria are systematically considered during the investment selection process.

The asset manager uses third-party data and proprietary qualitative and quantitative research in this process.

An ESG indicator is also used to identify securities that appear risky from an ESG perspective. Such securities are subject to in-depth analysis prior to an investment decision.

Given that sustainability risks may have a negative impact on returns, the aim of this procedure is to quantify ESG risks in order to take account of these in the investment process.

The asset manager also uses the analyses to anticipate developments in the area of sustainability and take investment decisions on this basis.

An ESG based approach also includes the definition of exclusions for business activities that the asset manager judges to be particularly risky from an ESG perspective, including, for example, the securities of companies connected to the manufacture of controversial weapons.

The exclusions are updated on an ongoing basis to reflect new circumstances and information.

The environmental targets included in Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment are also taken into account. In principle, the approach also ensures that investments are not made in companies that do not have good corporate governance procedures.

One specific environmental feature of the sub-fund is that the asset manager focuses investment activity on a reduction of greenhouse gases, with the aim of making a material contribution to climate protection. Greenhouse gases are measured based on their relative global warming potential as the carbon dioxide equivalent (CO₂e).

The asset manager defines a guideline for each sub-fund for the average CO₂e intensity of investments. This is based on the Paris Agreement of 12 December 2015 on climate change from which the asset manager has derived a target of an annual reduction in CO₂e emissions of 4% per annum. Alongside this targeted reduction in greenhouse gases, the guideline is determined with reference to the CO₂e intensity of the investment universe at the end of 2019 and global economic growth.

The asset manager bases the calculation of average CO₂e intensity for companies on third-party data for CO₂e emissions in relation to turnover (generally tonne of CO₂e per USD million of turnover), and on data for CO₂e emissions in relation to economic value added (tonne of CO₂e per USD million of gross domestic product) for government bonds. The asset manager applies transparent processes to appropriately address the

numerous data issues (availability, methodology discrepancies, special situations, data quality). These processes are continuously evolving.

At least two thirds of the assets of the sub-fund concerned are invested in assets that comply with the requirements of the responsible approach. The investments underlying the remaining portion of the net assets of the sub-fund concerned generally do not take these criteria into account. The “do no significant harm” principle applies only to the investments that take these criteria into account.

The reference values listed in the table under 2.2.3 are not for investments under this approach. However, the asset manager selects from the investment universe the securities that fulfil the requirements.

The sub-funds that follow the responsible approach fall within Article 8 of the SFDR.

Sustainable approach

For sub-funds with “Sustainable” in the name, the objective of the asset manager is to invest only in securities assessed as above-average with regards to business sustainability criteria (environmental, social and governance, “ESG”, criteria).

This assessment reflects the specific aspects of environmental, social and governance (“ESG”) issues and systematically includes these in the investment selection process.

The asset manager bases the assessment on third-party data and proprietary qualitative and quantitative research.

An ESG indicator is also used to identify securities that appear to have a progressive approach from an ESG perspective. Such securities are subject to in-depth analysis prior to an investment decision.

Given that a progressive approach to sustainability criteria may have a positive impact on returns, the aim of this procedure is to quantify ESG opportunities in order to take account of these in the investment process. The environmental targets included in Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment are also taken into account. In principle, the approach also ensures that investments are not made in companies that do not have good corporate governance procedures.

In addition, comprehensive exclusions are defined for business activities that the asset manager assesses as risky from an ESG perspective. As well as the manufacture of controversial weapons, in-house operations that use child labour, and the production of pornography, other examples included in the comprehensive list of exclusions are carbon intensive activities (e.g. oil and natural gas extraction, fossil fuel power generation, etc.), business models with a negative impact on society (e.g. the production of alcohol and tobacco, nuclear plant operators, etc.), and activities that endanger species diversity (e.g. the release of genetically modified organisms (GMOs) and industrial biotechnology).

The exclusions are updated on an ongoing basis to reflect new circumstances and information.

The asset manager uses impact analysis to identify securities expected to make a positive contribution to the fulfilment of the UN Sustainable Development Goals. This means, for example, a company offering products and/or services that contribute to the achievement of one of the 17 UN Sustainable Development Goals.

At least two thirds of the assets of the sub-fund concerned are invested in assets that comply with the requirements of the sustainable approach. If a sub-fund invests a higher proportion of its assets according to the sustainable approach, this will be highlighted in the specific investment policy of the sub-fund. The investments underlying the remaining portion of the net assets of the sub-fund concerned generally do not take these criteria into account but do not preclude the achievement of the investment objective.

The reference values listed in the table under 2.2.3 are not for sustainable investments. The asset manager selects from the investment universe the securities that fulfil the requirements of the sustainable approach.

The sub-funds that follow this approach fall within Article 9 of the SFDR.

Difference between “Sustainable” and “Responsible”

Sub-funds designated as “Sustainable” give a higher weighting to sustainability issues than sub-funds designated as “Responsible”. This means that in addition to the integration of ESG criteria and a focus on the Paris Agreement on climate change, sub-funds following a sustainable approach also apply comprehensive exclusions, have higher ESG requirements and use an impact analysis.

The responsible approach excludes only isolated economic activities such as the manufacture of controversial weapons, in-house operations that use child labour, and the production of pornography. Within the sustainable approach, exclusions are more extensive as regards the proportion of investments to which the sustainability policy applies, and therefore affect a higher proportion of the investment universe.

In the responsible approach, the asset manager can also invest to a limited extent in securities with a below-average ESG rating, provided that progress can be seen at these securities, which should lead to improving ESG ratings. The sustainable approach does not permit investments in securities with a below-average ESG rating.

The sustainable approach also differs from the responsible approach in that the asset manager uses impact analysis to identify securities expected to contribute to the fulfilment of the UN Sustainable Development Goals.

In the sustainable approach, the asset manager does not focus solely on a quantitative target in order to reduce CO₂e intensity. A reduction in CO₂e intensity is also achieved using comprehensive exclusions for investments to which the

sustainability policy applies. It therefore exceeds the corresponding target volumes used in the responsible approach. Further information on the product-related sustainability policy can be found on the following website for the respective sub-fund: <https://products.swisscanto.com/products>.

2.2.2 Investment objectives and policies of the individual sub-funds

Swisscanto (LU) Equity Fund Sustainable Emerging Markets

a) Investment objective

The investment objective of Swisscanto (LU) Equity Fund Sustainable Emerging Markets is to enable the investor to participate in the positive performance of global equity markets in the emerging markets segment for long-term investments. The emerging markets are newly industrialising countries, i.e. countries whose economic development has brought them to the threshold of industrialisation, in Europe, Asia, Central and South America and Africa. Investments in these countries involve risks. These are set out in the aforementioned section 1.6 "Risk notice".

b) Investment policy

In order to achieve this objective, at least two thirds of the sub-fund's total assets will be invested in accordance with the principle of risk diversification in equity securities and participation rights within the meaning of section 2.3.1 a) in companies that have their registered office or the majority of their business operations in the emerging markets.

In addition, as of 1 January 2018, a total of at least 51% of the assets of this sub-fund will be invested directly in equity securities and participation rights within the meaning of German tax law.

Furthermore, the sub-fund can hold liquidity pursuant to section 2.3.1 d) and invest in all the other instruments mentioned in section 2.3.1 within the legally and contractually prescribed limits.

The currency risk involved in investments in currencies other than the USD may be hedged by means of currency forwards.

At least 90% of the sub-fund's assets are invested in assets that comply with the requirements of the sustainable approach.

Swisscanto (LU) Portfolio Fund Responsible Dynamic 0 - 50

a) Investment objective

The investment objective of Swisscanto (LU) Portfolio Fund Responsible Dynamic 0-50 is to achieve a target volatility of 5% for the entire portfolio. Volatility is a measure of fluctuations in yield based on annualised standard deviation.

b) Investment policy

In order to achieve this investment objective, the sub-fund invests its assets worldwide in fixed-income and floating-rate securities and a maximum of 50% of its total assets in equity securities and participation rights as well as in non-traditional investment instruments (see also section 2.3.4 c). The weighting of the individual investment categories may vary with any change in the volatilities of the individual investments, but the proportion of equity securities is limited to a maximum of 50%. In a phase of high volatility, those investment categories displaying high volatility will tend to be reduced in favour of less volatile categories.

2.2.3 Information on the benchmark indices

a) Administrators of the benchmark indices

Pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation"), benchmark administrators must appear in the Register of administrators and benchmarks maintained by ESMA in accordance with Article 36 of the Benchmark Regulation. The benchmark indices cited in this Sales Prospectus are managed by authorised or registered administrators.

b) Use of benchmark indices within the investment policy

The securities in the sub-funds listed in the following table are selected on a discretionary basis using a consistent investment process ("active management").

When composing the portfolios of the individual sub-funds, the selection and weighting of securities is focussed on companies included in the benchmark indices cited in the table. The extent of deviation from these benchmark indices is also shown in the table.

The investment policy of these sub-funds is guided by and aims to outperform the listed benchmark indices. Based on the market situation and risk assessments, the asset manager may at any time actively over- or underweight individual securities or sectors to a greater or lesser extent, deviating in both directions from the relevant benchmark indices.

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

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

	Sub-fund name	Benchmark index ²	Deviation from the benchmark index
1.	Swisscanto (LU) Equity Fund Sustainable Emerging Markets	• MSCI® Emerging Markets Index TR Net	material
2.	Swisscanto (LU) Portfolio Fund Responsible Dynamic 0-50	No benchmark index	n/a

2.3 Provisions applicable to all sub-funds

2.3.1 Authorised investments are:

a) Securities and money market instruments

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

Equity securities and participation rights are not only investments in shares but also in REITs (Real Estate Investment Trusts) and other equity interests (cooperative society shares, non-voting stock, participation certificates, equity funds, certificates on equity securities, equity indices, etc.), as well as securities and rights which embody the right to acquire equity securities and participation rights by subscription or exchange, in particular warrants.

Fixed-income and floating-rate securities and money market instruments are bonds, notes, convertible bonds, convertible notes, bonds-cum-warrants and debt securities of financial institutions, namely contingent convertible capital bonds which, in accordance with equity capital requirements, can be converted into equity capital (shares), in addition to bond and money market funds, as well as certificates on interest-bearing securities and money market instruments, bond indices, etc.

b) New issues

The Fund may invest in securities and money market instruments originating from new issues

provided the conditions of issue include the obligation to apply for official listing on a stock exchange or other

recognised and regulated market that operates regularly and is open to the public in a member state of the EU or a state in Europe, Africa, Asia, Oceania or America, and provided admission to trading takes place within one year of issue.

c) Money market instruments (unlisted)

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

d) Liquidity

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

e) Investments in fund units

The Fund may invest in units of UCITS of the open-ended type and/or in other undertakings for collective investment (other UCIs) within the meaning of the UCI Act. Investments in such funds are permissible only if they are domiciled in a member state of the EU or in a third country, provided that:

- such other UCIs have been approved in accordance with legislation subjecting them to prudential supervision that, in the opinion of the CSSF, is equivalent to that which applies under EU law, and that adequate provision exists for ensuring cooperation between authorities;

² The benchmark index may be currency-hedged depending on the unit class currency.

- the level of protection afforded to unitholders in other UCIs is equivalent to that afforded to unitholders in a UCITS and, in particular, the rules governing the separate safekeeping of Fund assets, borrowing, lending and the short-selling of securities and money market instruments are equivalent to the requirements laid down in Directive 2009/65/EC;
- the business operations of such other UCIs are reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and transactions during the reporting period;
- the UCITS or the other UCIs in which units are to be acquired may not be permitted, under the terms of their founding documents, to invest more than 10% of their fund assets in the units of other UCITS or UCIs.

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

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

- f) Derivative financial instruments ("derivatives")
- The Fund may invest in derivative financial instruments ("derivatives"), including equivalent instruments that are settled in cash, which are traded on one of the regulated markets described above and/or derivative financial instruments which are not traded on a stock exchange ("OTC derivatives"), provided:
- the underlyings are instruments as defined in Article 41(1) of the UCI Act, financial indices, interest rates, exchange rates or currencies in which the UCITS may invest in accordance with the investment objectives stated in its founding documents;
 - Counterparties in OTC derivatives transactions are institutions in one of the categories that have been authorised by the CSSF, which are subject to prudential supervision and
 - the OTC derivatives are reliably and verifiably valued on a daily basis and can be sold, liquidated or closed out by a countertrade at the initiative of the UCITS at any time at fair value.
- g) Other investments
- The Fund may, in compliance with the investment restrictions, invest in other securities or money market instruments than the aforementioned permissible securities or money market instruments.

2.3.2 Investment restrictions

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

- a) A sub-fund may not acquire more than 10% of the outstanding securities or money market instruments or more than 10% of the non-voting stock of any single issuer. It may not hold more than 25% of the units of a single UCITS or other UCIs.
- b) Subject to the exceptions mentioned explicitly, no more than 10% of the net assets of a sub-fund may be invested in securities and money market instruments from the same issuer. The total volume of the securities and money market instruments from issuers in which more than 5% of net assets is invested may not exceed 40% of the net assets of any sub-fund.
- c) Investments must not confer rights on the Management Company that enable it to exert significant influence over an issuer's operations.
- d) Furthermore, the restrictions stipulated under a) and c) do not apply to equity securities and participation rights that allow the sub-fund to participate in the capital of a company that is registered in a state outside the EU and invests its assets principally in the securities of issuers registered in that state if, according to the laws of that state, that issuer represents the only medium for investment in securities of issuers in that state. However, this exception applies only if the company registered outside the EU observes the investment restrictions of the sub-fund in question in its own investment policy.
- e) The 10% restriction stipulated in b) may be raised to a maximum of 25% in the case of debt instruments issued by a credit institution which has its registered office in a Member State of the EU, this credit institution being subject to special prudential supervision under the terms of statutory provisions protecting the holders of these debt instruments. Specifically, the proceeds of the issue of these debt instruments must be invested, in accordance with statutory provisions, in assets which will provide sufficient cover for the liabilities arising in connection with the debt instruments for the entire term of these securities. The assets in which the proceeds are invested must be earmarked primarily for repaying the principal and paying the interest in the event of the issuer's default. Should a sub-fund invest more than 5% of its net assets in debt instruments as defined in this paragraph, that are issued by a single issuer, the combined value of these investments may not exceed 80% of the value of the sub-fund's net assets.

- f) The 10% restriction stipulated in b) may be raised to a maximum of 35% if the securities and money market instruments in question are issued or guaranteed by: (i) a Member State of the EU, (ii) its regional authorities, (iii) another western European member state of the Organisation for Economic Cooperation and Development (OECD), (iv) the United States of America, (v) Canada, (vi) Japan, (vii) Australia and (viii) New Zealand, or (ix) an international public organisation to which one or more EU Member States belong. These securities and money market instruments are not taken into account in calculating the 40% limit mentioned in b).
- g) **The 10% restriction stipulated in b) may be raised to a maximum of 100% if the securities and money market instruments in question are issued or guaranteed by a state, provided that:**
- **the state is a member of the EU or is an OECD state,**
 - **the sub-fund holds securities and/or money market instruments from at least six different issues; and**
 - **securities and/or money market instruments from a single issue do not exceed 30% of the net assets of a sub-fund.**
- h) A maximum of 20% of the net assets of a sub-fund may be invested in deposits with one and the same institution.
- i) For all sub-funds, the sub-fund's overall risk is monitored using the commitment approach. With the commitment approach, the overall risk arising from the use of derivative financial instruments may not exceed 100% of the net assets of a sub-fund and therefore the overall risk of the sub-fund may not exceed a total of 200% of the net assets of a sub-fund on a lasting basis. Temporary borrowing may not increase the overall risk of the sub-fund by more than 10%, meaning that the overall risk of the sub-funds using the commitment approach may never amount to more than 210% of the net assets of a sub-fund. With regard to investments in derivative financial instruments, the overall risk of the corresponding underlyings, provided they are not index-based derivatives, may not exceed the limits given under b), e), f), h), j), k) and l).
- Efforts are made to keep the leverage from derivatives below eight times the net assets of the sub-fund, i.e. below 800%. However, the actual leverage can exceed this value due to market conditions and/or changes in positions, and it is not to be regarded as a risk limit.
- j) In the case of transactions involving OTC derivatives and/or techniques for the efficient management of the portfolio, e.g. securities lending, the risk exposure per counterparty may not exceed 10% of the net assets of a sub-fund where the counterparty is a credit institution pursuant to the UCI Act. In all other cases, the risk per counterparty may not exceed 5% of the net assets of a sub-fund.
- k) Subject to the exceptions stated under e), f) and g) and notwithstanding the upper limits laid down in b) first sentence, h) and j), a sub-fund may invest a maximum of 20% of its net assets with a single institution in a combination of the following:
- securities and money market instruments issued by this institution,
 - deposits with this institution
 - risks arising from transactions in OTC derivatives acquired from this institution and/or involving techniques for the efficient management of the portfolio.
- l) A maximum of one third of a sub-fund's net assets may be invested in demand and time deposits as described in section 2.3.1 d).
- m) A sub-fund may not invest more than 20% of its net assets in one and the same UCITS or another UCI as described in section 2.3.1 e). When applying this investment limit, each sub-fund of an umbrella fund within the meaning of Article 181 of the UCI Act is to be regarded as an independent issuer provided that the principle of individual sub-fund liability to third parties applies.
- n) A sub-fund may invest a maximum of 10% of its net assets in units of other UCITS and/or UCIs as described in section 2.3.1 e).
- o) If a sub-fund acquires units of UCIs that are managed directly or indirectly by the Management Company itself or by a company with which it is associated by way of common management or control or by way of a significant direct or indirect stake (e.g. of more than 10% of the capital or votes) (hereinafter "associated target funds"), the Management Company or the other company may not charge fees for the subscription or redemption of units of the other UCITS and/or other UCIs by the sub-fund.
- p) A maximum of 10% of a sub-fund's net assets may be invested in other investments as described in section 2.3.1 g).

Should the limits laid down in section 2.3.2 be exceeded unintentionally, priority must be given to bringing investments down to below the set percentages while safeguarding the interests of unitholders. Unless it is stated specifically that they relate to the assets of the Fund in their entirety, the percentage restrictions stated above refer to the assets of each individual sub-fund. These restrictions do not apply in the event that subscription rights are exercised.

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

2.3.3 Unauthorised investments

The Fund may not:

- a) grant loans or act as guarantor for third parties;
- b) invest directly in real estate or in securities issued by the Management Company;
- c) invest directly in commodities and commodity papers;
- d) short-sell securities.

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

2.3.4 Investment techniques and instruments

- a) **Repos**
The Management Company does not enter into securities repurchase agreements.
- b) **Loans**
In principle, the Fund may not take out loans or temporarily overdraw its accounts. However, a sub-fund may take out loans for the purchase of foreign currencies in the form of a back-to-back loan or temporarily borrow up to 10% of the net assets.
- c) The following also applies to the Swisscanto (LU) Portfolio Fund Responsible Dynamic 0 – 50 sub-fund:
Within the scope of the investment policy, this sub-fund may also invest in non-traditional investment instruments. The term “non-traditional investment instruments” also refers to structured products and derivatives on financial indices (including commodity and real estate fund indices) subject to the restrictions outlined under section 2.3.1 f) of the Prospectus. These

also include certificates insofar as they incorporate derivatives on such financial indices.

Subject to other sub-fund-specific restrictions, the sub-fund may invest up to a maximum of 30% of its total assets in structured products (certificates) and/or derivatives on commodity and real estate fund indices within the scope of the investment policy.

- d) **Use of structured financial instruments**
Within the scope of the investment policy, the sub-funds may invest in structured products (certificates), provided such instruments are used in an efficient manner to achieve the desired investment objective. At all times, certificates must be disposable directly and without restriction. Furthermore, such transactions are permitted only with financial institutions specialising in these types of transactions.
- e) **Derivative financial instruments may be used for the following purposes in particular:**
 - e1) **Managing currency exposure**
Through the use of currency forwards and currency swaps, the sub-funds may hedge as well as efficiently manage its currency exposure. The sub-funds may also enter into a desired currency exposure in a currency permitted in the individual sub-fund's investment policy by means of the currency link to a financial instrument via the use of currency forwards and currency swaps. In such cases the currency exposure does not necessarily have to be built up in the sub-fund's currency of investment or account. Instead it can be achieved in a chosen, permitted investment currency of the sub-fund.
 - e2) **Managing interest rate and currency risk**
In addition to the above transactions, the sub-funds may enter into futures and options transactions as well as swap transactions (interest rate swaps and combined interest rate and currency swaps as well as total return swaps), both for hedging purposes and with a view to the efficient management of the portfolio.
 - e3) **Total return swaps**
Total return swaps may be conducted for each sub-fund for the purposes of efficient portfolio management. Between 80% and 100% of the relevant sub-fund's assets would normally be covered by total return swaps.

However, the Management Company reserves the right to transfer up to 110% of the assets held in the relevant sub-fund into a total return swap, depending on market conditions, with the aim of efficient portfolio management in the interests of investors.

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

- e4) **Managing credit risk**
The sub-funds may also use securities (credit-linked notes; hereinafter "CLNs") as well as techniques and instruments (credit default swaps; hereinafter "CDS"), both for hedging purposes and with a view to the efficient management of credit risks.
A CLN is a structured debt security with an embedded CDS.
CLNs are issued by financial institutions which have a high rating and they qualify as securities/money market instruments; in cases where the CLNs are not listed or traded on a regulated market, investments in CLNs must be limited to the 10% level specified in section 2.3.2 p). In cases where the CLNs are listed or traded on a regulated market, the aforementioned 10% limit does not apply. In addition, the investment restrictions specified in section 2.3.2 b), e), f), h), j), k) and l) apply to CLNs. These statutory restrictions relate both to the issuer of the CLN and to the CLN's underlyings.
- f) Within the scope of the investment policy, the Board of Directors may pledge a sub-fund's assets or transfer ownership thereof as collateral in connection with transactions involving derivative financial instruments.
- g) **Securities lending**
 - g1) With a view to the efficient management of assets and for the purpose of generating additional income, a sub-fund may, in compliance with the pertinent legal provisions, employ securities lending techniques and instruments provided they are permitted under Article 42 (2) of the UCI Act and Article 11 of Directive 2007/16/EC of 19 March 2007 (Eligible Assets Directive).
 - g2) When engaging in securities lending transactions, the sub-fund acts as lender, in which capacity it surrenders a security to the borrower, which the

latter may dispose of for a limited period and for which the sub-fund receives a fee.

- g2.1) **Principal**
Zürcher Kantonalbank shall be the sole direct borrower (principal) and the sole direct counterparty for securities lending transactions. As an independent public-law institution of the Canton of Zurich, it holds an unlimited state guarantee. As such, it is subject to prudential supervision by the Swiss Financial Market Supervisory Authority (FINMA), whose rules are recognised by the CSSF as equivalent to those enshrined in EU law.
- g2.2) **Agent**
RBC Investor Services Bank S.A. has been appointed agent for securities financing transactions. The agent is responsible for the operational aspects of the loan, the recovery of the security and the distribution of income to the sub-funds. In addition, the agent ensures that the amount of the collateral is adequate after the valuation discount and is in accordance with the admissibility criteria.
- g3) Securities lending may not result in a change in the investment objective, nor may it entail substantial additional risks as compared with the original risk strategy.
The risks to which securities lending exposes a sub-fund shall be appropriately addressed by the risk management procedure. A detailed overview of the risks can be found in section 1.6.5 "Risks associated with securities lending" of this Sales Prospectus.
- g4) The Management Company will not accrue any income from securities lending transactions. All proceeds from securities lending shall be credited to the sub-fund involved in this securities lending less the fee paid to the agent for its securities lending services.
91% of the income generated by the securities financing business goes into the Fund assets. The agent receives the remaining 9%.
- g5) All securities transferred under a securities lending transaction may be transferred back at any time and all securities lending agreements may be terminated at any time. Securities lending transactions shall be factored into the risk management process for liquidity risks in order to ensure that a sub-fund can meet its redemption obligations at all times.

- g6) A maximum of 100% of the assets of a sub-fund may be used for securities lending. Depending on the sub-fund, this may be up to 20% of the assets used.

h) Collateral management

- h1) The risk positions that arise for a counterparty as a consequence of transactions involving OTC derivatives and techniques for efficient portfolio management will be combined for the purpose of calculating the thresholds of counterparty risk exposure as set out in Article 43 of the UCI Act.

- h2) If a sub-fund engages in transactions in OTC derivatives and uses techniques for efficient portfolio management, counterparty risk exposure may, in accordance with ESMA/2014/937 (Guidelines on ETFs and other UCITS issues) and ESMA's CESR/10-788 (CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS), be reduced by accepting collateral insofar as it satisfies the following criteria. The same criteria apply to collateral received in connection with securities lending, unless otherwise stated.

h2.1) The following assets are accepted as eligible collateral:

Cash and sight deposits, with the exception of securities lending, which are denominated in USD, EUR or CHF or the reference currency of a sub-fund and are deposited with legal entities pursuant to Article 50(f) of the UCITS Directive;

- Highly liquid bonds issued by issuers with a high credit rating, which enjoy brisk trading on a regulated market with transparent pricing, in order that they can be sold at short notice with no loss of liquidity. Moreover, the collateral must be valued at least once on every trading day. The term of the bonds is limited to a maximum of 20 years;
- Shares traded on a regulated market in a member state of the EU or on a stock exchange in an OECD member state and from issuers from these countries. In addition, these shares must enjoy brisk trading, with transparent pricing and high liquidity assured.

h2.2) Valuation of collateral

Collateral in the form of securities is valued at least once daily at the last known market price and in accordance with standard market

practice. The exchange on which the securities are listed and which is the main market for this security is used for the valuation.

h2.3) Safekeeping of collateral

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

h2.4) Cash collateral

Cash collateral accepted may only be invested in high-quality government bonds or in short-dated money market funds in accordance with the definition in the CESR's Guidelines.

By reinvesting cash collateral, a sub-fund is also exposed to the interest rate, credit and liquidity risks attached to the respective government bonds or money market funds, which may manifest should the counterparty default or be in arrears.

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

h2.5) Correlation

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

h2.6) Diversification of collateral

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

h2.7) Operational and legal risks in connection with collateral management must be calculated, controlled and reduced through the risk management procedure.

h2.8) In cases involving transfers of rights, the collateral accepted must be held in safekeeping by the sub-fund's Depositary. Under other types of collateral agreements, the collateral may be held by a third party which is subject to supervision and is not in any way connected with the provider of the collateral.

h2.9) The sub-fund may realise accepted collateral at any time without conferring with the counterparty or requiring the latter's approval.

h3) Haircut strategy

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

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

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

Owing to the different price volatilities, the haircuts on bonds are graded according to rating class. The bandwidth for haircuts on bonds is between 3% and 7%, and haircuts on shares amount to at least 12%.

The appropriateness of the haircuts applied is reviewed at regular intervals, but no less than once a year, and the haircuts are adjusted accordingly if required. In the event of significant changes in the markets, haircuts will be reviewed immediately.

3 Participation in the Fund

3.1 Conditions for the issue, redemption and conversion of units

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

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

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

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

The net asset value used for the calculation of the issue, redemption and conversion price is calculated on the following valuation day on the basis of the last known prices.

For the sub-fund Swisscanto (LU) Equity Fund Sustainable Emerging Markets, the net asset value used for the calculation of the issue, redemption and conversion price is calculated on the day after the following valuation day on the basis of the last known prices.

Orders received after such time will be treated in the same way as those received on the following bank business day.

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

The individual valuation principles are described in the following paragraph.

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

In accordance with the Management Regulations and in accordance with section 3.1, the net asset value (NAV) of the units is calculated by the Management Company for each separate sub-fund on each bank business day in Luxembourg. The net asset value of a unit in a sub-fund or of a unit class is – unless stated otherwise in this Sales Prospectus – expressed in the sub-fund's currency of account and is calculated by dividing the net assets of the sub-fund or the unit class by the number of units of that sub-fund or unit class in circulation. The net asset value is rounded to the nearest 0.01 of the unit of account.

The net assets of a given sub-fund or unit class correspond to the difference between the total assets of that sub-fund or unit class and the total liabilities that are attributable to it.

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

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

- a) Securities, derivatives and other investments listed on a stock exchange are valued at the latest available prices. If these securities, derivatives and other investments are listed on several exchanges, the latest available price on the exchange that represents the primary market for this security shall apply. In the case of securities, derivatives and other investments not commonly traded on an exchange and for which a secondary market among securities traders exists with market-compliant price discovery, the Management Company may value these securities, derivatives and other investments based on these prices. Securities, derivatives and other investments that are not listed on a stock exchange, but are traded on another regulated market that operates regularly and is recognised and open to the public, are valued at the latest available price on this market.
- b) Securities and other investments that are neither listed on a stock exchange nor traded on a regulated market are valued at the last available market price. If no such price is available, the Management Company will value

the securities according to other criteria, to be determined by the Board of Directors. The Management Company will base its calculation on the probable selling price, the level of which will be estimated with due care and to the best of the Management Company's knowledge.

- c) Money market instruments that are not listed on an exchange, but are traded on another regulated market that operates regularly and is recognised and open to the public, may be valued as follows: The valuation price of such investments, based on the net acquisition price, shall be progressively adjusted to the redemption price while keeping the resulting investment return constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns.
- d) Liquid funds and fiduciary and fixed-term deposits will be valued at their nominal value plus accrued interest.
- e) For each sub-fund, the securities that are denominated in a currency other than that of the sub-fund are converted into the sub-fund currency at the relevant mean exchange rate. Futures contracts concluded for the purpose of hedging currency risks are taken into consideration in the conversion.
- f) Units in UCITS or other UCIs shall be valued at their last published net asset value. If no net asset value is available, only buying and selling prices, the units of such UCITS and other UCIs may be valued at the mean value of these buying and selling prices. Should no current prices be available, the Management Company will make a valuation according to other criteria, to be determined by the Board of Directors. The Management Company will base its calculation on the probable selling price, the level of which will be estimated with due care and to the best of the Management Company's knowledge.
- g) Derivatives which are traded neither on a stock exchange nor on another regulated market will be valued at a market value (fair value) which is appropriate given a careful assessment which takes into account all of the relevant circumstances.

In order to protect existing unitholders from transaction costs for the purchase and sale of investments caused by subscriptions and redemptions, the Board of Directors may decide to have the net asset value of a sub-fund calculated in accordance with the partial swinging single pricing method described below.

If, on a given bank business day, the total subscriptions or redemptions for all unit classes of a sub-fund result in a net inflow or outflow of assets that exceeds a specified threshold

(represented as a percentage of the net asset value), the net asset value of the sub-fund in question is increased or decreased accordingly (partial swinging single pricing, hereinafter "PSSP"). In such cases, the same net asset value shall apply for all unitholders subscribing or redeeming units on this valuation date.

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

The Pricing Committee is responsible for determining the swing factor and the threshold, and decides on behalf of the Management Company.

The level of the swing factor is based on the historical incidental expenses arising for the purchase and sale of investments in the case of subscriptions and redemptions (bid-ask spreads, standard brokerage fees, commissions, taxes, etc.).

The threshold is determined on the basis of the historical capital flows for the sub-fund concerned. The threshold also ensures that the net asset value is not swung in the case of a large proportion of the capital flows where no purchases or sales by the portfolio manager are necessary. In some circumstances, the threshold may also be set at zero for a particular period at the discretion of the Pricing Committee.

Where a sub-fund was established less than a year earlier, the swing factor and the threshold are determined depending on the characteristics of this sub-fund. The historical capital flows simulated in this way enable a representative value to be determined for the respective sub-fund.

In extraordinary situations such as unusually high market fluctuations or restricted market liquidity, the net asset value of the relevant sub-fund may be increased or reduced based on the day's average value for incidental expenses for the purchase and sale of investments, or on values derived from the day's market observations. This may lead to the cited maximum adjustment being temporarily exceeded in the best interests of unitholders. Unitholders will be informed by the Management Company in the usual manner of any such measures.

The Board of Directors has decided to use the PSSP method to calculate the net asset value of all sub-funds.

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

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

In exceptional circumstances, additional valuations may be made on one and the same day and will apply to issues and redemptions on that day.

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

3.3 Sale of units

The issue price must be paid within three bank business days after receipt of the subscription order. However, the Management Company may extend this period to a maximum of five bank business days if the three-day period or four-day period proves too short. Issue prices are rounded down to the nearest currency unit.

The following are charged on the issue of units:

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

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

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

Only registered units shall be issued. They are not issued as physical certificates; they exist purely as book entries. Subscribers should note that they must present proof of identity to the agent receiving their subscription, unless they are known personally to the agent. This ruling is intended to help combat the laundering of money originating from criminal activities, in particular the drugs trade.

3.4 Redemption of units

In principle, the Management Company will redeem units of the Fund at any time on a bank business day at the redemption price, against surrender of the corresponding unit certificates.

Since care must be taken that there are sufficient liquid assets in the Fund, payments on Fund units will usually be made within five bank business days after calculation of the redemption price, unless transfer of the redemption amount to the country in which the redemption has been applied for proves to be impossible owing to statutory provisions, such as foreign exchange and payment restrictions, or as a result of other circumstances beyond the control of the Depositary.

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

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

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

3.5 Conversion of units

Unitholders in each sub-fund are entitled to convert some or all of their units into units of another sub-fund offered for subscription, or to convert units of one class into another class within the same sub-fund. Such conversions may be undertaken on any day on which the net asset value of the sub-fund is calculated. The subscription requirements for a particular unit

class must also be fulfilled in the case of the conversion of units from one class to another. One condition is a corresponding conversion application to the Management Company for at least 10 units of a sub-fund or unit class, in addition to the surrender of the unit certificates, if these have been issued. Conversion is subject to the same time limits as apply to the issue and redemption of the sub-funds in question. The intermediary may charge commission on conversions of up to half the rate on issue, up to the countervalue of the units submitted for conversion. Where unit classes of the same sub-fund are converted, no agency fee is charged.

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

$$A = \left(\frac{B \times C}{D} \right) \times E$$

where:

- A = Number of units to be issued in the new sub-fund or the new unit class
- B = Number of units in the original sub-fund or the original unit class
- C = Redemption price per unit of the original sub-fund or the original unit class
- D = Net asset value per unit of the new sub-fund or the new unit class
- E = Exchange rate between the currencies of the two sub-funds or two unit classes on the date of conversion

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

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

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

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

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

- b) If relevant disposals of a sub-fund's assets are not possible owing to political, economic, military or other emergencies which are beyond the control of the Management Company, or if such action would be detrimental to the interests of the unitholders.
- c) In the event of disruptions in the communications network, or if the net asset value of a sub-fund cannot be calculated with sufficient accuracy.
- d) If restrictions on foreign exchange transactions or other asset transfers make sub-fund transactions impossible, or if the purchase and sale of Fund assets cannot be effected at normal exchange rates.
- e) If special circumstances concerning the careful, proper management of the Fund or sub-fund(s) in question make such suspension necessary and it is in the interests of the unitholders.

4 Appropriation of net income and capital gains

4.1 Distribution units

Under Article 12 of the Management Regulations, the Management Company will decide, after closing the annual accounts, whether and to what extent distributions are to be made on distribution units. Where distribution units are concerned, the Fund intends to distribute the greater part of earnings and to make such distributions within four months after the close of the financial year.

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

Payment will be made according to the procedure described under section 3.5 "Redemption of units".

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

4.2 Accumulation units

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

5 Taxes and charges

In the Grand Duchy of Luxembourg, the Fund's assets are subject to a "taxe d'abonnement" of 0.05% p.a. of net assets for unit

classes offered to private investors and of 0.01% p.a. of net assets for unit classes offered to institutional investors, payable quarterly. The Fund's earnings are not taxed in Luxembourg.

No withholding tax is currently levied on distributions by the Fund. Under current legislation, unitholders do not have to pay income tax, wealth tax or any other tax in Luxembourg, unless they are or have been resident in Luxembourg or operate a business there to which the units belong.

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

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

The unit classes for which the Management Company charges an all-in fee for running the Fund, asset management and distribution of the Fund units are listed in section 1.4.5.

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

- costs of managing the Fund;
- fees and costs charged by the Depositary and the paying agents;
- costs of distribution;
- all costs imposed by law or by regulations, in particular the costs of publications of all types (such as price publications and notices to investors), as well as the fees payable to the supervisory authorities;
- printing the management regulations and sales prospectuses, as well as the annual and semi-annual reports;
- fees associated with any listing of the Fund and with its distribution both domestically and abroad;
- administrative costs, especially those for bookkeeping and calculating the net asset value;
- costs of paying out annual income to the investors;
- auditor fees;
- advertising costs.

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

The maximum all-in fee, maximum flat management fee and maximum flat administration fee for each sub-fund and unit class are set out in the table in section 1.4.5.

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

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

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

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

No all-in fee is charged to the Fund in the case of unit classes N, M and S. Therefore, the Management Company is compensated for the management of the Fund (running the Fund, asset management, distribution and other costs that arise; in particular, fees and costs of the Depositary) not by the all-in fee, but by the remuneration set out in the agreements as laid down in section 1.4.5 above (a written asset management agreement, a written advisory agreement, a written investment agreement or some other written service agreement) between the investor, on the one hand, and the Management Company or another company within the Swisscanto Group or a bank, on the other.

The assets of each individual sub-fund shall be liable for all claims against that sub-fund. These costs shall be charged separately to each sub-fund. Costs borne by the Fund which cannot be allocated to a single sub-fund shall be charged to the individual sub-funds in proportion to their net assets. The assets of one sub-fund shall not be liable for claims against the assets of another sub-fund.

6 Information for unitholders

6.1 Remuneration policy

The Management Company has produced a remuneration policy in accordance with the applicable legal and regulatory requirements, particularly the UCI Act and the relevant ESMA guidelines on sound remuneration policies (ESMA/2016/411);

this policy applies to all employees, in particular those identified under the UCI Act and including the salaried directors and executives of the Management Company. The remuneration policy has been prepared with the aim of protecting the interests of the investors as well as the interests of the Management Company and the Group on a long-term, sustainable basis. It is also in line with the business strategy, the goals and values of the Management Company and the funds it manages, and comprises measures aimed at avoiding conflicts of interest.

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

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

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

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

6.2 Accounting reports

The annual audited accounting reports will be made available to unitholders no later than four months after the end of the financial year at the registered office of the Management Company and the offices of the sales and paying agents. Unaudited semi-annual reports will be made available in the same way no later than two months after the end of the reporting period (30 September). The first annual audited accounting report was published on 30 September 2007 and the first unaudited semi-annual report on 31 March 2007.

Separate accounts will be drawn up for the individual sub-funds. The total of the sub-funds – after conversion into the currency of the Fund (CHF) – constitutes the Fund assets.

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

6.3 Data protection

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

6.4 Other Information

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

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

The Management Company may amend these provisions in whole or in part at any time in the interests of the unitholders and with the consent of the Depositary. Unless otherwise specified, amendments to the Management Regulations shall enter into force upon signature.

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

In addition, the following documents are available for inspection at the registered office of the Management Company during normal business hours. Copies are available free of charge from this office:

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

The latest version of the Sales Prospectus, the Management Regulations, the Key Investor Information Document, the annual

and semi-annual reports and notices to investors can be downloaded on the internet at www.swisscanto.lu.

Management Company:

Swisscanto Asset Management International S.A.

Depositary:

RBC Investor Services Bank S.A.

The disclosures contained herein are made pursuant to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005.

THIS DOCUMENT IS FOR INVESTORS IN SINGAPORE ONLY

The information in this document supplements the current Sale Prospectus (the "**Prospectus**") and Investment Fund Management Regulations (the "**Regulations**") of Swisscanto (LU) (the "**Fund**"), and such other documents or materials (as amended or supplemented from time to time) (collectively, the "**Memorandum**"), with respect to the offering of units ("**Units**") in following sub-funds:

Swisscanto (LU) Equity Fund Sustainable Emerging Markets; and
Swisscanto (LU) Commodity Fund ex-Agriculture & Livestock.

(collectively, the "**Restricted Sub-Funds**" and each, a "**Restricted Sub-Fund**").

The Restricted Sub-Funds have been/ will be entered onto the list of restricted schemes maintained by the Monetary Authority of Singapore (the "**MAS**") pursuant to Section 305 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). The list of Restricted Sub-Funds may be accessed at the MAS website <https://eservices.mas.gov.sg/cisnet/>.

Investors should note that there are other sub-funds referred to in the Prospectus and the Regulations other than the Restricted Sub-Funds listed above which are not available to persons in Singapore as a restricted scheme under Section 305 of the SFA

References to the sub-funds which are not listed as Restricted Sub-Funds are not and should not be construed as an offer of Units of such sub-funds to persons in Singapore.

The Prospectus and Regulations has not and will not be registered as a prospectus with the MAS as each of the Restricted Sub-Fund is invoking the exemptions from compliance with prospectus requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The MAS assumes no responsibility for the contents of the Memorandum.

The offer which is the subject of the Memorandum is not authorized or recognized by the MAS and the Units are not allowed to be offered to the retail public. This Memorandum is

not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you in light of your own personal circumstances.

Recipients of this Memorandum in Singapore should note that the offering of the Units is subject to the terms of this Memorandum and the SFA. Accordingly, the Units may not be offered or sold, nor may this Memorandum or any other document or material in connection with the offer or sale of such Units be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A(1)(c) of the SFA) (each an "**Institutional Investor**"), (ii) to a relevant person as defined in Section 305 of the SFA or any person pursuant to an offer referred to in Section 305(2) of the SFA (each a "**Relevant Investor**") and in accordance with the conditions specified in Section 305 of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Subject to all other restrictions on transferability imposed by the Fund, recipients of this Memorandum represent and warrant that where the Units are initially acquired pursuant to an offer made in reliance on an exemption under:

- (a) Section 304 of the SFA by an Institutional Investor, subsequent sales of the Units will only be made to another Institutional Investor; and
- (b) Section 305 of the SFA by a Relevant Investor, subsequent sales of the Units will only be made to an Institutional Investor or another Relevant Investor.

In addition, it should be noted that where the Units are initially acquired in Singapore pursuant to an offer made in reliance on an exemption under Section 305 of the SFA by:

- (a) a corporation referred to in Section 305A(2) of the SFA (a "**Relevant Corporation**"), the securities of the Relevant Corporation shall not be transferred within 6 months after the Relevant Corporation has acquired any Units unless the transfer is in accordance with the conditions of Section 305A(2) of the SFA; and
- (b) a trust referred to in Section 305A(3) of the SFA (a "**Relevant Trust**"), the rights and interest (howsoever described) of the beneficiaries thereof in the Relevant Trust shall not be transferred within 6 months after any Units have been acquired for the Relevant Trust unless

the transfer is in accordance with the conditions of Section 305A(3) of the SFA.

Investors should therefore ensure that their own transfer arrangements comply with the restrictions. Investors should seek legal advice to ensure compliance with the above arrangement.

This Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Capitalised terms not defined herein shall have the meanings defined in the Prospectus and Regulations, unless otherwise stated or the context otherwise requires.

(i) Details of the Fund/ Sub-Fund and Selected Service Providers to the Fund/ Sub-Fund

Swisscanto (LU) (the "**Fund**") is an open-ended investment fund under Luxembourg law. The business address of the Fund is as set out below:

Swisscanto (LU)
c/o Swisscanto Asset Management International S.A.
19, rue de Bitbourg,
L-1273 Luxembourg.

The Fund is organized as an umbrella investment fund and may offer several sub-funds with different investment policies (the "**Sub-Funds**"). Each Sub-Fund is regarded as a discrete pool of assets and together, the Sub-Funds constitute the Fund.

Management Company

Swisscanto Asset Management International S.A. (the "**Management Company**") manages the Fund. The Management Company is established in Luxembourg and registered with the Luxembourg Trade and Companies Register (RCS) under number B 121.904.

The Management Company is regulated under the laws of the Grand Duchy of Luxembourg and supervised by the Luxembourg financial supervisory authority, the Commission de Surveillance du Secteur Financier ("**CSSF**"). The contact details of CSSF are as set out below:

Commission de Surveillance du Secteur Financier
283, route d'Arlon
L-1150 Luxembourg
Phone: +352 26 25 1 - 1

Fax: +352 26 25 1 - 2601

Portfolio Manager

The management of the Fund assets is contractually assigned to Zürcher Kantonalbank (the "**Portfolio Manager**"). The Portfolio Manager is founded in Zurich and regulated under the Swiss Law and supervised by the Swiss Financial Market Supervisory Authority ("**FINMA**"). The contact details of FINMA are as set out below:

Swiss Financial Market Supervisory Authority
Laupenstrasse 27, 3003 Bern
Phone: +41 31 327 91 00
Fax: +41 31 327 91 01

Depositary

The Management Company has appointed RBC Investor Services Bank S.A. as the Depositary and Principal Paying Agent (the "**Depositary**"). The Depositary is a public limited company under Luxembourg law and holds a banking licence under the Luxembourg law and is supervised by the CSSF. The contact details of CSSF are as set out above.

(ii) Regulatory Information of the Fund/ Sub-Funds

The offering of Units in the Fund/ Sub-Funds Units is authorised by the CSSF (Commission de Surveillance du Secteur Financier) as Undertakings for Collective Investment subject to Part I of the law of 17 December 2010. The Fund is regulated by the CSSF and the contact details of the CSSF are as set out above.

(iii) Investment Objectives and Strategy

For information on the Fund's Investment Objective and Strategy, please see the section titled "**2 Investment objective and investment policy**" and in particular, under the sub-sections under "**2.2.1 Investment objectives and policies of the individual sub-funds**", in the Prospectus.

(iv) Risk Disclosure

For information on the risks of investing in the Fund, please see the section titled "**1.6 Risk notice**" in the Prospectus.

(v) Conditions, Limits and Gating Structures for Redemptions of Units

For information on the terms for redemptions of Units, please see the section titled “**3 Participation in the Fund**” and in particular, under the sub-section “**3.4 Redemption of units**” in the Prospectus

(vi) Side Letters

The policy of the Fund is not to enter into side letter arrangements with any investors.

(vii) Past Performance

Information regarding the historical performance of the Sub-Funds may be obtained from the relevant Key Investor Information Documents (“**KIID**”) which can be obtained from the Management Company.

(viii) Accounts

Annual and semi-annual reports of the Sub-Funds may be obtained from the registered office of the Management Company and the offices of the sales and paying agents.

(ix) Fees and Charges

For information on the fees and charges payable by the Fund and the investors of the Fund/ Sub-Funds, please see section titled “**5 Taxes and charges**” and sub-section titled “1.4.5 Fee rates”, in the Prospectus.