

Investment fund under Swiss law

AMG Gold, Mines & Metals

Unaudited semi-annual report as of June 30, 2022

Contents

3 – 4	Facts and figures Organization Fund characteristics Key figures
5 – 6	Report of the Investment Manager
7 – 15	Financial Statements Statement of Assets Statement of Income (Class A, C, H and U) Statement of Investments Transactions during the reporting period (If they no longer appear in the statement of net assets) Derivatives using the commitment approach II
16 – 17	Supplementary information to the semi-annual report

Facts and figures

Organization

Board of directors of the Fund Management Company

Natalie Flatz, President
Bruno Schranz, Vice President
Markus Fuchs

Management of the Fund Management Company

Dominik Rutishauser
Ferdinand Buholzer

Fund Management Company

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Investment Manager of the Fund

AMG Fondsverwaltung AG
Bahnhofstrasse 29
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Distribution channels

Investment Manager of the Fund

Auditors

PricewaterhouseCoopers AG
Birchstrasse 160
CH-8050 Zurich

Facts and figures

Fund characteristics

AMG Gold, Mines & Metals invests mainly in equities and equity-like securities of companies from the mining sector and in (physical) gold and other precious metals. Investments are selected according to the following criteria:

- valuation of the company relative to internal value: share price in proportion to the in-the-ground reserves (proven and provable), calculated by reference to the current price of gold;
- quality of the reserves;
- track record of management; (extent of experience of management, transparency of company, accessibility of management, roadshow activities, continuity).

The fund management company may invest up to 30% of fund assets in physical gold in marketable form, which is stored exclusively in Switzerland at the same bank (the custodian bank).

The physical gold is held in the form of unembossed bars, in standard units of 12.5 kg or 1 kg, of a purity of 995/1000 or better.

Key figures

	30.6.2022	31.12.2021	31.12.2020
Net fund assets in million CHF	144.03	192.50	219.77
Number of units Class A	193 935	227 107	237 920
Number of units Class C	972 281	1 080 373	1 070 849
Number of units Class H	384 965	393 750	362 776
Number of units Class U	153	150	–
Asset value per unit Class A in CHF	90.51	109.12	126.52
Asset value per unit Class C in CHF	94.86	114.03	131.50
Asset value per unit Class H in CHF	88.92	113.04	134.64
Asset value per unit Class U in USD	90.77	115.30	–
Performance Class A	-17.06%	-13.76%	31.56%
Performance Class C	-16.81%	-13.29%	32.14%
Performance Class H	-21.33%	-16.04%	39.29%
Performance Class U	-21.16%	-4.06% ¹	–
TER Class A	1.68%	1.68%	1.69%
TER Class C	1.19%	1.18%	1.19%
TER Class H	1.19%	1.18%	1.20%
TER Class U	1.71%	1.63%	–
PTR ²	1.32	2.99	4.03
Transaction costs in CHF ³	299 620	596 734	666 394

¹ Vom 9.9. – 31.12.2021

² UCITS definition: The total of transactions in shares is deducted from the total of securities transactions and then set in relation to the average fund assets. Result is shown as a factor.

³ The investment fund bears all incidental costs for the purchase and sale of investments.

Past performance is no guarantee for future results. The performance data do not take on the issue and redemption of units and costs incurred. No benchmark comparison is available for this fund.

Report of the Investment Manager

The AMG Gold, Mines & Metals Fund (AMG Gold) lost more than 17% in the first half of 2022. Despite a higher average selling price for gold, only a few precious metal producers were able to improve their margins. Cost inflation has dampened sentiment.

The gold price benefited strongly from geopolitical tensions in February and March. However, it has not yet been possible to exceed the high of August 2020 (USD 2,075). Rising yields for government bonds worldwide, as well as key interest rate increases by the Anglo-Saxon central banks, slowed down the positive mood of gold and silver investors and thus the precious metal prices had to give up most of the gains. The prospect of the US Federal Reserve (FED) raising interest rates sharply and withdrawing liquidity from the market through QT generally put pressure on the prices of many asset classes. Gold held up relatively well, but silver was disappointing. Gold demand was positively influenced by financial investors, where ETF buyers have increased again since the beginning of the year after a prolonged selling phase. Central banks are still buying gold, but the trend is down (Q1 84 tons vs. 118 tons in Q1 2021). New countries have emerged as buyers, with the No.1 country in Q1 being Egypt, which increased its holdings by 44 tons to 125 tons. Turkey, India and Ireland were also buyers. On the supply side, mine production was stable and sales of scrap gold increased as expected (+15% in Q1) due to higher prices. Silver should de facto benefit from the "new green deal". New lows since August 2020 are incomprehensible. Palladium, which was strongly influenced by the Ukraine/Russia conflict, saw huge price increases. This moved the share prices of PGM (Platinum Group Metals) producers.

The average selling price of gold in H1 was USD 1,877, the highest ever (2021 = 1,799, 2020 = 1,770). For silver, this was USD 23.40 (compared to USD 26.40 in H1 2021).

Despite the rising gold price, operating margins at gold producers could unfortunately only be expanded at a few companies. Cost inflation remains the buzzword. The largest cost blocks, energy and wages, continued to rise, as in 2021. This can only be compensated with better "grades", which was definitely not possible for all companies. The "AISC" costs for industry increased by around 5% in H1. But what worries investors most are the construction costs for new projects. Cost overruns compared to the planned budgets have led to (sometimes large) price losses on the stock markets for the companies involved. Even the large producers are not spared this fact, but they are better able to hide it in their cost accounting. The earnings of companies that produce silver are also very disappointing. The margins of most companies are small and silver producers also have to invest regularly in renewal.

For the AMG Gold Fund, we aim to maintain a liquid and flexible portfolio. The focus is on producing mines with free cash flows (FCF), if these are possible. Dividends were also paid out in H1 for about 1/3 of the positions in the portfolio. In addition, five share buybacks are in progress. We are very satisfied with the composition of the portfolio. In the stock

selection, the worst performing companies were those that are building projects or undergo a restructuring. In H1, this led to an underperformance against the benchmark (Philadelphia Gold and Silver Index), but also against the GDX ETF. In H1, AMG Gold Fund made the most money in Yamana Gold, Barrick Gold and Freeport-MacMoRan. On the negative side were Gatos Silver, Argonaut Gold and First Majestic Silver. Due to the continued disappointing silver price, we reduced the share of companies with silver production ("Silver Stocks"). We have also reduced "Explorers", where we have completely eliminated Rupert Resources. Rupert has provided a lot of pleasure over the past four years, but could definitely no longer be classified as "cheap". Portfolio changes by sub-sector (Fig. 1).

Sector Allocation	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Benchmark Q2 2022
Seniors	34.9%	36.8%	33.6%	30.5%	42.1%	40.5%	48.9%
Intermediates	22.3%	25.9%	23.3%	25.4%	24.4%	14.7%	17.8%
Juniors	6.8%	6.7%	7.4%	6.1%	5.9%	5.1%	0.5%
Explorers	8.9%	9.8%	10.1%	10.9%	7.8%	7.4%	3.2%
Silver Stocks	12.6%	19.5%	21.7%	20.4%	13.7%	13.6%	11.5%
Royalties	4.3%	0.0%	2.9%	5.7%	3.9%	15.0%	18.1%
Miscellaneous	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%
Silver	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gold	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Platin/Palladium	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	3.0%	1.3%	1.0%	1.0%	1.0%	3.7%	0.0%

Fig. 1: Portfolio changes per quarter

(Quelle: AMG)

Outlook

For the financial markets, we expect a lot of nervousness with price turbulence in the second half of the year as well. Central bank policy will shape performance in the coming months. We can only guess how much key interest rates will be raised to combat galloping inflation. Rising interest rates are poison for the prices of most asset classes. High inflation should in principle be positive for the gold price, but so far we have had a very large difference between reported inflation and expected inflation (in the 5-year range in USD this is >5%). Real interest rates calculated with "expected" inflation have unfortunately risen sharply in H1. We expect this rate to ease in H2.

The correct assessment of the macro situation will be the key to success for the AMG Gold Fund. We assume that the (western) central banks will remain restrictive or become even more restrictive for the time being. This will possibly leave further negative traces on the stock markets until the end of the year. Precious metal stocks, especially gold mines, should hold up better than the global stock markets.

The AMG Gold Fund invests mainly in gold mines (producers) and to a lesser extent in mines producing other metals. Companies searching for gold and silver (so-called "explorers") have become even cheaper in H1, as the opportunities for this segment to raise fresh money on the capital market have deteriorated further. We will take a closer look at one or the other company and possibly increase this share in the portfolio again. Projects in the vicinity of a large existing mine will clearly be given preference here (neighbourhood). In terms of cost inflation, royalties have no worries because their costs remain fixed.

Report of the Investment Manager

If the outperformance of these stocks continues, we could well imagine higher ratios in the portfolio.

As such, we remain true to our strategy and feel very comfortable with a portfolio of mostly liquid stocks. With the second quarter results (end of Ju-li/beginning of August) we will hopefully get new insights into how companies are managing the cost side. The portfolio has enough flexibility for adjustments.

We would like to thank our valued investors and interested parties for the trust they have placed in us.

AMG Fondsverwaltung AG

Statement of Assets

	30.6.2022 CHF	31.12.2021 CHF		
Bank Balances	5 154 596	2 540 696		
Equities	138 351 422	189 272 229		
Derivatives	521 673	705 386		
Other assets	61 231	81 562		
Total Fund Assets	144 088 922	192 599 873		
Bank liabilities	–	-50		
Liabilities	-62 812	-104 272		
Net Fund Assets	144 026 110	192 495 551		
Outstanding units	units	units		
Number of units outstanding at the beginning of the reporting period Class A	227 107	237 920		
New Issued Units	3 797	19 844		
Redeemed Units	-36 969	-30 657		
Number of units outstanding at the end of the reporting period Class A	193 935	227 107		
Number of units outstanding at the beginning of the reporting period Class C	1 080 373	1 070 849		
New Issued Units	16 124	257 907		
Redeemed Units	-124 216	-248 383		
Number of units outstanding at the end of the reporting period Class C	972 281	1 080 373		
Number of units outstanding at the beginning of the reporting period Class H	393 750	362 776		
New Issued Units	38 383	145 640		
Redeemed Units	-47 168	-114 666		
Number of units outstanding at the end of the reporting period Class H	384 965	393 750		
Number of units outstanding at the beginning of the reporting period Class U	150	–		
New Issued Units	53	150		
Redeemed Units	-50	–		
Number of units outstanding at the end of the reporting period Class U	153	150		
Net asset value per unit	Class A in CHF	Class C in CHF	Class H in CHF	Class U in USD
30.6.2022	90.51	94.86	88.92	90.77
Change in net assets	CHF			
Net fund assets at the beginning of the reporting period	192 495 551			
Balance from unit trade	-17 756 881			
Total result of the financial year	-30 712 560			
Net fund assets at the end of the reporting period	144 026 110			

Statement of Income Class A

	1.1. – 30.6.2022 CHF	1.1. – 31.12.2021 CHF
Income bank deposits	–	–
Income on shares (dividends)	141 237	293 820
Equalisation income on subscriptions	-866	-8 347
Total income	140 371	285 473
less:		
Bank charges and debit interest	494	821
Auditor fees	560	1 189
Management fees (1.62%) ¹	189 689	427 676
Custodian fees (0.05%)	5 825	13 100
Other expenses	3 391	2 021
Partial transfer of expenses to realized capital gains and losses ²	–	-47 651
Equalisation income on redemptions	-4 502	-8 017
Total expenses	195 457	389 139
Net income	-55 086	-103 666
Realized capital gains and losses	771 571	1 856 876
Partial transfer of expenses to realized capital gains and losses ²	–	-47 651
Total realized capital gains and losses	771 571	1 809 225
Net realized gain	716 485	1 705 559
Unrealized capital gains and losses	-4 003 601	-5 560 198
Total result	-3 287 116	-3 854 639

¹ Sales commission 2022: CHF 69'535; 2021: CHF 130'632

² According to circular no. 24 of the ESTV

Statement of Income Class C

	1.1. – 30.6.2022 CHF	1.1. – 31.12.2021 CHF
Income bank deposits	–	3
Income on shares (dividends)	757 262	1 457 026
Equalisation income on subscriptions	-372	-5 980
Total income	756 890	1 451 049
less:		
Bank charges and debit interest	2 689	4 087
Auditor fees	3 000	5 870
Management fees (1.12%)	706 110	1 470 550
Custodian fees (0.05%)	31 193	64 708
Other expenses	18 413	9 907
Equalisation income on redemptions	-4 022	-11 071
Total expenses	757 383	1 544 051
Net income	-493	-93 002
Realized capital gains and losses	4 054 952	9 160 678
Net realized gain	4 054 459	9 067 676
Unrealized capital gains and losses	-22 723 067	-27 518 612
Total result	-18 668 608	-18 450 936

Statement of Income Class H

	1.1. – 30.6.2022 CHF	1.1. – 31.12.2021 CHF
Income bank deposits	1	6
Income on shares (dividends)	263 670	523 229
Equalisation income on subscriptions	-1 681	5 345
Total income	261 990	528 580
less:		
Bank charges and debit interest	935	1 472
Auditor fees	1 051	2 108
Management fees (1.12%)	244 122	523 337
Custodian fees (0.05%)	10 909	23 198
Other expenses	6 348	3 590
Equalisation income on redemptions	-1 946	2 403
Total expenses	261 419	556 108
Net income	571	-27 528
Realized capital gains and losses	-734 543	1 615 098
Net realized gain	-733 972	1 587 570
Unrealized capital gains and losses	-8 020 059	-9 077 604
Total result	-8 754 031	-7 490 034

Statement of Income Class U

	1.1. – 30.6.2022 USD	9.9. – 31.12.2021 USD
Income bank deposits	–	–
Income on shares (dividends)	98	21
Equalisation income on subscriptions	-9	-1
Total income	89	20
less:		
Bank charges and debit interest	–	–
Auditor fees	–	–
Management fees (1.59%)	137	53
Custodian fees (0.05%)	4	2
Other expenses	3	–
Partial transfer of expenses to realized capital gains and losses ¹	–	-23
Equalisation income on redemptions	-10	–
Total expenses	134	32
Net income	-45	-12
Realized capital gains and losses	602	-266
Partial transfer of expenses to realized capital gains and losses ¹	–	-23
Total realized capital gains and losses	602	-289
Net realized gain	557	-301
Unrealized capital gains and losses	-3 487	-553
Total result	-2 930	-854

¹ Sales commission 2022: USD 42; 2021: USD 16

² According to circular no. 24 of the ESTV

Statement of investments as of June 30, 2022

Description	Currency	Balance at (in 1'000 resp. piece) 30.6.2022	Purchases	Sales	Price at 30.6.2022	Valuation CHF	as % of total assets
Effekten							
Equities (traded on an exchange)						138 351 422	96.02
Gold Road Resources	AUD	2 915 000	1 915 000		1.130	2 168 523	1.50
Panoramic Resources	AUD	25 000 000		7 500 000	0.200	3 291 675	2.28
Silver Lake Resources	AUD	3 000 000		1 000 000	1.210	2 389 756	1.66
Argonaut Gold	CAD	2 549 000	450 000	1 001 000	0.450	851 346	0.59
Artemis Gold	CAD	1 200 000	98 300	98 300	5.480	4 880 740	3.39
B2Gold	CAD	2 200 000	200 000	50 000	4.360	7 119 230	4.94
Eldorado Gold Reg.	CAD	600 000	175 000	175 000	8.210	3 656 102	2.54
Endeavour Mining Reg.	CAD	175 000	175 000	125 000	26.630	3 458 861	2.40
Endeavour Silver Corp	CAD	1 350 000	350 000	60 000	4.040	4 047 986	2.81
Fortuna Silver Mines	CAD	1 650 000	150 000	50 000	3.660	4 482 176	3.11
G Mining Ventures Reg.	CAD	3 578 500	3 466 600	406 500	0.730	1 938 866	1.35
Galiano Gold Reg.	CAD	4 315 000	79 000	39 000	0.530	1 697 386	1.18
Metalla Royalty and Streaming Reg.	CAD	275 000			6.170	1 259 336	0.87
New Gold	CAD	3 250 000		950 000	1.370	3 304 668	2.29
Novo Resources Reg.	CAD	3 400 000	175 000		0.440	1 110 339	0.77
Osisko Mining	CAD	1 700 000	747 400	1 047 400	3.060	3 860 950	2.68
SSR Mining	CAD	300 000	205 000	370 000	21.500	4 787 222	3.32
Shanta Gold Reg.	GBP	29 000 000	2 100 123	100 123	0.089	3 000 800	2.08
Agnico Eagle Mines	USD	250 000	265 000	15 000	45.760	10 952 084	7.60
Anglogold Ashanti -ADR-	USD	175 000	275 000	100 000	14.790	2 477 861	1.72
Barrick Gold	USD	630 000	480 000	350 000	17.690	10 669 379	7.40
First Majestic Silver	USD	500 000	200 000	175 000	7.180	3 436 887	2.39
Franco-Nevada	USD	36 000	36 000		131.580	4 534 852	3.15
Gold Fields ADR	USD	675 000	75 000	300 000	9.120	5 893 447	4.09
Harmony Gold Mining -ADR-	USD	500 000	200 000	1 850 000	3.130	1 498 253	1.04
Hecla Mining Co	USD	1 225 000	775 000	775 000	3.920	4 597 195	3.19
Kinross Gold	USD	400 000	400 000		3.580	1 370 925	0.95
Newmont Goldcorp	USD	190 000	450 000	260 000	59.670	10 853 764	7.53
Royal Gold Reg.	USD	42 000	42 000		106.780	4 293 485	2.98
Sandstorm Gold	USD	625 000	625 000		5.950	3 560 145	2.47
Sibanye Stillwater -ADR-	USD	400 000	210 000	210 000	9.965	3 815 997	2.65
SilverCrest Metals	USD	500 000	50 000	200 000	6.125	2 931 884	2.03
Wheaton Precious Metals Corp	USD	230 000	125 000	120 000	36.030	7 933 464	5.51
Yamana Gold	USD	500 000		2 100 000	4.650	2 225 839	1.54
Other facilities						0	0.00
G Mining Ventures Wts 15.09.2024 CAD 1.9	CAD	1 500 000			0.000	0	0.00
Total securities						138 351 422	96.02
Total derivatives (as per separate list)						521 673	0.36
Cash and other assets						5 215 827	3.62
Total fund assets						144 088 922	100.00
Liabilities						-62 812	
Total net assets						144 026 110	

Divergences in the totals may be attributed to rounding differences.

Statement of investments as of June 30, 2022

Exchange rates:

CAD 1.0000 = CHF 0.742205

USD 1.0000 = CHF 0.95735

AUD 1.0000 = CHF 0.658335

GBP 1.0000 = CHF 1.16265

EUR 1.0000 = CHF 1.0009

Breakdown

Distribution of shares by currencies	Valuation CHF	as % of total assets
AUD	7 849 954	5.45
CAD	46 455 208	32.24
GBP	3 000 800	2.08
USD	81 045 460	56.25
Total	138 351 422	96.02

Distribution of shares by currencies	as % of total assets
Seniors	37.93
Intermediates	17.03
Juniors	5.14
Silver stocks	13.53
Explorers	7.41
	14.98
Total	96.02

Fair value hierarchy

The following table shows the fair value hierarchy of the investments. Fair value is the price, that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Investment type	Total amount	Valuation		
		Valuated at prices quoted on an active market	Valuation based on observable market parameters	Valuation method not based on market data (valuation models)
Equities	138 351 422	138 351 422	–	–
Bonds	–	–	–	–
Other investments	–	–	–	–
Derivatives	521 673	–	521 673	–
Total	138 873 095	138 351 422	521 673	–

Divergences in the totals may be attributed to rounding differences.

Transactions during the reporting period

(If they no longer appear in the statement of net assets)

Currency	Description	Purchases	Sales
Securities			
Equities			
AUD	Ramelius Resources		3 500 000
CAD	Anaconda Mining Reg.	521 500	521 500
CAD	G Mining Ventures Reg.		3 000 000
CAD	Nomad Royalty Company	275 000	325 000
CAD	Rupert Resources	15 000	1 515 000
CAD	Silvercorp Metals		1 400 000
GBP	Fresnillo		450 000
USD	Freeport-McMoRan	480 000	745 000
USD	Gatos Silver		450 000
USD	Iamgold		1 300 000
USD	Kirkland Lake Gold	20 000	230 000
Derivatives			
Purchase option (call):			
USD	VanEck Gold Miners C45 16.09.2022	7 500	7 500
USD	VanEck Junior Gold C45 16.09.2022	4 000	4 000
USD	VanEck Junior Gold C55 16.09.2022	3 500	3 500
USD	VanEck Junior Gold Miners C40 17.06.2022	2 500	2 500

Description	Currency	Stock at the end of the previous period	Purchases	Sales	Stock on 30.6.2022
Forward exchange transactions Class H					
Forward currency contract AUD CHF 24.02.22	AUD	-5 100 000	5 450 000	-350 000	-
Forward currency contract AUD CHF 24.05.22	AUD	-	5 000 000	-5 000 000	-
Forward currency contract AUD CHF 24.08.22	AUD	-	800 000	-3 650 000	-2 850 000
Forward currency contract CAD CHF 24.02.22	CAD	-23 400 000	28 500 000	-5 100 000	-
Forward currency contract CAD CHF 24.05.22	CAD	-	28 100 000	-28 100 000	-
Forward currency contract CAD CHF 24.08.22	CAD	-	5 400 000	-20 075 000	-14 675 000
Forward currency contract GBP CHF 24.02.22	GBP	-1 400 000	1 550 000	-150 000	-
Forward currency contract GBP CHF 24.05.22	GBP	-	895 000	-895 000	-
Forward currency contract GBP CHF 24.08.22	GBP	-	30 000	-605 000	-575 000
Forward currency contract USD CHF 24.02.22	USD	-21 800 000	27 975 000	-6 175 000	-
Forward currency contract USD CHF 24.05.22	USD	-	32 000 000	-32 000 000	-
Forward currency contract USD CHF 24.08.22	USD	-	4 370 000	-23 760 000	-19 390 000

Incl. merger, split, reorganisation, redemption etc. Bonds in thousand.

Derivatives using the commitment approach II

Total derivative financial instruments

	in amount in CHF	as % of net assets
gross	812 714	0.56
net	–	0.00

Warrants

Number	Title	Exchange rate CHF	Value CHF
1 500 000	G Mining Ventures Wts. 19.08.2024 CAD 1.90	CAD 0.000	0
Total Warrants			0

The derivatives stated hereafter refer to class AMG Gold, Mines & Metals, class H.

Total exposure from derivatives, which are booked in the class H

	in amount in CHF	in amount in CHF Class H
gross	31 883 809	71.64
net	–	0.00

Currency forward exchange transactions

Currency	Expiry	Amount of foreign currency	Equivalent value purchase CHF	Value at 30.6.2022 CHF	Income CHF
AUD/CHF	24.08.2022	-2 850 000	1 942 181	-1 870 050	72 130
CAD/CHF	24.08.2022	-14 675 000	11 114 739	-10 852 397	262 341
GBP/CHF	24.08.2022	-575 000	693 789	-666 656	27 133
USD/CHF	24.08.2022	-19 390 000	18 654 774	-18 494 706	160 069
(Unrealized) result from currency forward exchange transactions					521 673

Identity of the contracting parties in OTC derivative transactions:

Currency forward exchange transactions: Bank J. Safra Sarasin AG, Basel (Custodian Bank).

Supplementary information to the semi-annual report as of June 30, 2022

1. Fund Performance

No benchmark comparison is available for this fund. Past performance is no indicator for current or future results. Performance figures do not take into account any commissions charged on issue or redemption of units.

2. Soft commission agreements

For the period from January 1 to June 30, 2022 no "soft commission agreements" in the name of LLB Swiss Investment AG were applied and no soft commissions were received.

3. Principles for the valuation and the calculation of the net asset value

The valuation is effected as per §17 of the fund contract

§17 Calculation of the Net Asset Value

- The net asset value of the investment fund and the share of assets attributable to the individual classes (prorated shares) are calculated in CHF at their market value as of the end of the financial year and for each day on which units are issued or redeemed. The fund assets will not be calculated on days when the stock exchanges/markets in the investment fund's main investment countries are closed (e.g., bank and stock exchange holidays).
- Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained upon a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognized valuation models and principles to determine the market value.
- Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company may value such funds in accordance with sec. 2.
- The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the redemption price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept 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. If there is no current market price in such instances, the cal-

culations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).

- Bank credit balances are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions, the valuation principles for time deposits will be adjusted in line with the new circumstances.
- The net asset value of units of a given class is determined by the proportion of the fund's assets as valued at the market value attributable to the given unit class, minus any of the investment fund's liabilities that are attributed to the given unit class, divided by the number of units of the given class in circulation. It will be rounded to one centime.
- The percentages of the market value of the Fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the Fund for each unit class. The percentage is recalculated when one of the following events occurs:
 - when units are issued and redeemed;
 - on the relevant date for distributions, provided that (i) such distributions are only made for individual unit classes (distribution classes); (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values; or (iii) different commission or expenses are charged on the distributions of the various unit classes when expressed as a percentage of the distribution;
 - when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued expenses and commissions) to the various unit classes, provided that the liabilities of the various unit classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various unit classes or (ii) class-specific expenses are charged;
 - when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or several unit classes but disproportionately to their share of the net fund assets.

4. The fund management company charges a performance fee

which is calculated according to the following table:

(excerpt from §20 Fees and incidental expenses charged to the fund's assets)

Performance fee	8% per year	A performance-based commission of 8% per year will be calculated on the arithmetic difference between the cumulated performance of the Fund and the cumulated Hurdle Rate during the period under review.
Period under review	Annually	The period under review for the calculation of the performance fee is the financial year of the fund.

Supplementary information to the semi-annual report as of June 30, 2022

Interval of performance calculation		Daily	The basis of the performance-based commission is the daily performance of the net asset value per unit. No performance fee will be determined on days where the net asset value of the fund is not calculated (Sundays and holidays).
Consideration of costs and fees		Net	The performance-based commission will be calculated on the net asset value per unit <i>after</i> deduction of all costs and fees but <i>before</i> deduction of the accrued performance-based commission until that date.
Share-by Share basis	Fee per unit	High Watermark	The performance-based commission per unit will be calculated by taking into account the currently applicable High Watermark.
	Total fee	Average of outstanding units	For the calculation of the total amount of the performance-based commission to be accrued the average of outstanding units since the beginning of the actual financial year will be taken into account.
"High watermark principle"		Yes	The net asset value per unit must have reached a new historic high since the launch of the fund, to allow a performance-based commission to be accrued.
"High Watermark"-Reset-Interval	Performance fee	After payment	The High Watermark for a new financial year will only be adjusted, if a performance-based commission has been paid out at the end of the previous quarter.
	Fund distributions		If distributions of income and capital gains are made to the investors, the High Watermark will be adjusted by these amounts.
"Hurdle Rate"-principle		5% per financial year	A minimum return of 5% per year is required to allow a performance-based commission to be accrued.
Interval of accrual		Valuation day	The performance-based commission will be calculated and accrued on each valuation day and accrual will be increased or liquidated in part or in full according to the development of the net asset value.
Interval of payment		Annually	A performance-based commission will be paid out at the end of a financial year.

5. Information about Affairs of Special Economic or Legal Importance

Publication of June 28, 2022

The respective publication was made on June 28, 2022. The full text of the publication is available in German at the Fund Management Company.