



J. SAFRA SARASIN



Nachhaltiges Schweizer Private Banking seit 1841

# JSS Commodity – Diversified (CHF)

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

Prospectus with integrated Fund Contract

July 2022

Please note: this is an unofficial translation and does not claim to be complete or correct. In case of inconsistencies between the German and English version of this publication text, the German version shall prevail.



# Contents

<b>Part I Prospectus</b>	<b>3</b>
1. Information on the investment fund	3
2. Information on the fund management company	8
3. Information on the custodian bank	9
4. Information on third parties	9
5. Further Information	10
<b>Part II Fund Contract</b>	<b>14</b>
I. Basis	14
II. Rights and obligations of the parties to the contract	14
III. Investment policy guidelines	18
IV. Calculation of the net asset value, and the issue and redemption of units	23
V. Fees and incidental costs	25
VI. Financial statements and audit	26
VII. Appropriation of net income	27
VIII. Publication of official notices by the Investment Fund	27
IX. Restructuring and dissolution	27
X. Amendments to the fund contract	29
XI. Applicable law and place of jurisdiction	29



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

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

## 1. Information on the investment fund

### 1.1 General information on the Investment Fund

JSS Commodity – Diversified (CHF) is an investment fund under Swiss law of the “other funds for traditional investments” type pursuant to the Swiss Federal Act on Collective Investment Schemes of 23 June 2006. The Fund Contract was drawn up by J. Safra Sarasin Investmentfonds Ltd, as Fund Management Company, and submitted to the former Swiss Federal Banking Commission (SFBC, since renamed Swiss Financial Market Supervisory Authority FINMA) with the consent of Bank J. Safra Sarasin Ltd, as Custodian Bank. The Fund Contract was first approved by the SFBC on 8 December 2005.

The Fund is based upon a collective investment agreement (Fund Contract), under which the Fund Management Company undertakes to provide the Investor<sup>1</sup> with a stake in the Investment Fund in proportion to the fund units acquired by the said Investor, and to manage this Fund at its own discretion and for its own account in accordance with the provisions of the law and the Fund Contract. The Custodian Bank is party to the Fund Contract, in accordance with the tasks conferred upon it by the law and the Fund Contract.

In accordance with the Fund Contract, the Fund Management Company is entitled to establish, liquidate or merge unit classes at any time, subject to the consent of the Custodian Bank and the approval of the supervisory authority.

There are currently the following unit classes:

“P CHF dist”,  
 “P EUR dist hedged”,  
 “P USD dist hedged”,  
 “I CHF dist”,  
 “I75 CHF dist”,  
 “I EUR dist hedged”,  
 “I USD dist hedged”,  
 “M CHF dist”,

“M EUR dist hedged”,  
 “M USD dist hedged”,  
 “C CHF dist”,  
 “C EUR dist hedged”,  
 “C USD dist hedged”,  
 “Y CHF dist”,  
 “Y EUR dist hedged”,  
 “Y USD dist hedged”.

All the unit classes currently issued distribute their income. The unit classes differ as to the conditions of purchase and the cost structure (see 5.3).

For the purchase of unit classes “P CHF dist”, “P EUR dist hedged” and “P USD dist hedged”, no special rules apply with regard to the minimum investment or particular qualifying attributes of Investors.

The unit classes “I CHF dist”, “I EUR dist hedged” and “I USD dist hedged” are reserved for qualified investors within the meaning of art. 10 para. 3 - 3ter CISA. In addition, a minimum initial investment of 1 million in the currency of the relevant unit class applies, irrespective of whether the investment is made for the investor’s own account or on behalf of a third party. No minimum sums apply for top-up investments.

The unit class “I75 CHF dist” is reserved for qualified investors within the meaning of art. 10 para. 3 - 3ter CISA. In addition, a minimum initial investment of CHF 75 million applies, irrespective of whether the investment is made for the investor’s own account or on behalf of a third party. No minimum sums apply for top-up investments.

The unit classes “M CHF dist”, “M EUR dist hedged” and “M USD dist hedged” is reserved for qualified investors within the meaning of art. 10 para. 3 - 3ter of CISA who hold an asset management mandate or have signed a special agreement that specifically allows investment in this Fund with Bank J. Safra Sarasin Ltd or one of its group companies or branches. No administration fee is levied on the unit classes “M CHF dist”, “M EUR dist hedged” and “M USD dist hedged”. The remuneration for the administration, asset management and distribution will be levied under the terms of the abovementioned contracts by Bank J. Safra Sarasin Ltd or one of its group companies or branches. This authorisation is explicitly regulated in the agreements made between the Fund Management Company and the

## Part I Prospectus

Bank. The costs of the fund management company for the administration of the unit classes “M CHF dist”, “M EUR dist hedged” and “M USD dist hedged” will be compensated by the Bank based on a separate contractual relationship.

The unit classes “C CHF dist”, “C EUR dist hedged” and “C USD dist hedged” are reserved for:

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

The unit classes “Y CHF dist”, “Y EUR dist hedged” and “Y USD dist hedged” are reserved for private investors who hold an asset management mandate or have signed an advisory agreement with Bank J. Safra Sarasin Ltd or one of its group companies or branches,

The unit classes with the "hedged" component are denominated in euros or US dollars and hedge currency fluctuations against the unit of account of the fund (CHF).

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class cannot be ruled out.

## 1.2 Investment objective and investment policy of the Fund

### 1.2.1 Investment objective

The Fund’s prime objective is to achieve long-term capital growth by investing in international commodity futures markets, while at the same time striving to minimise the risk through a systematic diversification process.

### 1.2.2 Investment policy

Risk management is a priority of the investment policy. The selection of commodity investments is designed mainly to optimise diversification and thereby to reduce the risk. The following measures help to optimise diversification: 1. Equal consideration of the various commodities sectors (energy, agricultural products and metals including gold), 2. Equal weighting of the individual commodities within a sector (to the extent permitted by market conditions or regulatory provisions in commodities trading), 3. Improvement of diversification characteristics by selecting commodities that are as weakly correlated as possible. The Fund Management Company must or may invest a minimum of 20% and a maximum of 50% of the Fund’s assets in one of the three aforementioned commodity categories. No single commodity may exceed 20% of fund assets, whereby the fund assets must be invested in at least 15 different commodities. The Fund’s investments must be rebalanced at least once a quarter, to ensure the Fund portfolio remains evenly balanced irrespective of market movements. If the Fund specifies a target weighting for individual commodities, the fund manager attempts to limit a potential overweighting of specific sectors (e.g. the energy sector) and to make a profit from movements in commodity prices by regularly checking the weighting and restoring it through anticyclical adjustments. This rebalancing ensures that any profits on commodities are realised at regular intervals, and that the portfolio is once again evenly weighted for the next investment period.

This process also attempts to achieve higher returns than those produced by investments managed in a purely passive way.

Investments are made mainly in the form of swaps, forwards and futures contracts (long) on commodity indexes and individual commodities, or certificates on the same. While in the case of instruments traded on stock markets the counterparty risk is concentrated solely on the relevant clearing organisation, with non-standardised instruments (OTC trades) there is a risk of the counterparty

failing to meet its contractual obligations and defaulting on the relevant payments. Direct investments in commodities (except for physical gold) are not allowed. The Fund Management Company also makes use of certificates on commodity indexes and individual commodities traded on a stock exchange or on another regulated market open to the public. Certificates can also be traded OTC (Over-the-Counter), but only with regulated banks or financial intermediaries that specialise in this type of trade and can ensure efficient execution of the transaction. Where derivatives and certificates are used, the Fund must also ensure that their maturity does not result in physical delivery of the underlying commodities (by "rolling" futures, or by selecting specific brokers with whom physical delivery can be excluded, etc.). In addition, the Fund Management Company may invest in collective investment schemes whose object is to track the performance of an individual commodity or commodity index as closely as possible. Finally, the Fund Management Company can also invest the Fund's assets in physical gold bullion. The gold is held in unembossed bars, standard size 12.5 kg with a purity of 995/1000 or better. The market price is calculated by multiplying the purity with the weight.

Commodities are important production factors whose prices can fluctuate significantly depending on the state of the economy. Because of their strategic importance, they are also exposed to geopolitical risks. Since a large proportion of commodities are produced in emerging market countries, their availability can also be influenced by local political, social and economic developments. Natural events can also cause supply shortages. As gold is not only used in industrial applications, but also as a reserve currency, the price of gold depends on the behaviour of financial investors as well.

The Fund must ensure there are sufficient cash equivalents to continuously cover any liabilities resulting from the use of swaps, forwards or futures. This ensures that exposure to commodities is limited to 100% of the Fund's net assets. "Cash equivalents" refer to bank deposits including fiduciary investments, money market instruments as well as debt instruments and rights with a remaining term to maturity of no more than 12 months, as well as synthetic liquidity. Synthetic liquidity can be created by purchasing physical gold and at the same time selling a futures contract of the corresponding size. The sale of the futures contract completely hedges the price risk of gold. There is still an underlying risk, i.e. the futures contract may, in certain circumstances, perform differently to the gold price.

The Fund can hold physical gold both as collateral and for investment purposes.

Other permitted collateral for up to 25% of the Fund's assets includes debt securities and rights with a maximum remaining term to maturity of between 12 and 24 months. These investments and their issuers must have a minimum rating of A- from Standard & Poor's or equivalent by another recognised rating institution.

The Fund Management Company may invest up to 35% of the Fund's assets in securities or money market instruments from the same issuer, provided these are issued or guaranteed by a state or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.

In accordance with the authorisation granted to it by the Swiss Financial Market Supervisory Authority FINMA, J. Safra Sarasin Investmentfonds Ltd may invest up to 100% of the assets of the Fund in securities or money market instruments from the same issuer, provided these are issued or guaranteed by a state or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. The following are authorised issuers/guarantors: the European Union (EU), OECD states, the European Council, the International Bank for Reconstruction and Development (World Bank), the European Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and Eurofima (European Company for the Financing of Railway Rolling Stock).

#### 1.2.3 Main risks of the Fund

The Fund's assets are exposed to the usual price fluctuations in international commodity markets. Consequently there is no guarantee that the Fund will achieve its investment objective. Investors should also be aware that past performance of commodities is no guarantee of the Fund's future performance.

#### 1.2.4 Liquidity risk management

The Fund Management Company will ensure appropriate liquidity management. The Fund Management Company assesses the liquidity of the Fund on a monthly basis under various scenarios and documents them. In particular, the Fund Management Company has identified potential

## Part I Prospectus

liquidity risks with regard to redemptions and has provided for appropriate measures: The liquidity of the Fund must always be sufficient to ensure that redemption obligations and other delivery and payment obligations are fulfilled. Liquidity management includes stress tests and scenario analyses for this purpose and integrates modelled net outflows.

### 1.2.5 Use of derivatives

The Fund Management Company may use derivatives for the efficient management of the Fund's assets. However, even under extreme market circumstances, these may not result in a deviation from the investment objectives or a change in the investment character of the Fund. Based on its planned use of derivatives, this Investment Fund qualifies as a "simple investment fund". The Commitment II approach (extended method) is used in measuring risk. Derivatives form part of the investment strategy and are not used solely to hedge investment positions.

Basic forms of derivatives may be used, as described in more detail in the Fund Contract (see § 1.2), provided the underlying securities are permitted as investments in accordance with the investment policy. The derivative transactions may be concluded either on a stock exchange or another regulated market open to the public, or in OTC (over-the-counter) trading. In addition to market risk, derivatives are also subject to counterparty risk, i.e. the risk that the party to the contract may not be able to meet its obligations and may thus cause a financial loss.

In addition to credit default swaps (CDS), all other types of credit derivatives may be acquired (e.g. total return swaps [TRS], credit spread options [CSO], credit linked notes [CLN]) by which credit risks can be transferred to third parties (so-called risk buyers). The risk buyers receive a premium as compensation. The size of this premium depends, among other things, on the probability of a loss event occurring and the maximum size of the loss; both factors are generally difficult to assess, which increases the risk associated with credit derivatives. The Fund may act as both a risk buyer and a risk seller.

The use of derivatives may not have a leverage effect on the Fund's assets nor correspond to a short sale. The total exposure in derivatives may be up to 100% of the net fund assets and the total exposure of the Fund may thus be up to 200% of its net fund assets.

The Fund's assets must not be invested in equity securities or rights (shares, etc.) or in convertible bonds and warrants.

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

Counterparty risks may arise in connection with transactions involving derivative financial instruments. These risks are minimised as follows:

The following types of collateral are permissible:

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

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

For derivative transactions that are not cleared centrally, the fund management company or its agents may conclude mutual collateralisation agreements with the counterparties. The minimum value of the collateral



exchanged must at all times be equal to the replacement value of the outstanding derivative transactions.

Individual items of collateral may be valued at a discount, which is based on the volatility of the markets and the liquidity of the collateral. The following minimum discounts apply to the collateralisation of lending within the scope of securities lending transactions (% discount on the market value):

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

Cash collateral may be reinvested as follows and subject to the following risks:

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

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

### 1.3 Profile of the typical Investor

The Fund is suited to investors with a long-term investment horizon seeking capital growth. It is oriented towards all categories of investor as a complementary investment in the commodities field. Because of its investment strategy based on diversification, the Fund can contribute to risk reduction in a balanced portfolio as a complementary investment, and is suitable as a core investment in the alternative asset class of commodities. The value of commodities futures is affected by market- and commodity-specific risk factors and can therefore fall as well as rise. Commodities carry a greater price risk than

equities. Investors can exploit resulting fluctuations in the net asset value of the fund units and are not tied to a specific date on which to realise the investment.

### 1.4 Tax regulations relevant to the Investment Fund

The Fund has no legal personality in Switzerland. It is not subject to tax on income or capital.

The Swiss federal withholding tax deducted from the Investment Fund's domestic income can be reclaimed in full for the Fund by the Fund Management Company.

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

Distributions of income made by the Fund to Investors domiciled in Switzerland and abroad are subject to Swiss federal withholding tax (source tax) at 35%. Any capital gains paid on a separate coupon are not subject to withholding tax.

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

Payments of income to investors domiciled abroad are made without deduction of withholding tax on condition that at least 80% of the income comes from foreign sources. A bank must provide confirmation that the units of the foreign investor are held in custody at this bank and that the income will be credited to this account (by a bank declaration or affidavit). No guarantee can be given that at least 80% of the Fund's income will stem from foreign sources.

If withholding tax is charged to an Investor domiciled outside Switzerland owing to the failure to present a declaration of domicile, under Swiss law they may submit a refund application directly to the Swiss Federal Tax Administration in Berne.

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

This tax information is based on the current legal situation and practice. It is subject to changes in legislation, the

## Part I Prospectus

decisions of the courts and the ordinances and practices of the tax authorities.

Taxation and other tax implications for Investors who hold, buy or sell fund units are defined by the tax laws and regulations in the Investor's country of domicile. Investors should consult their tax advisor for more information. Neither the Fund Management Company nor the Custodian Bank can assume responsibility for the individual tax consequences for the Investor that arise from the purchase, sale or holding of fund units.

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

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

### FATCA:

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

Additional information:

No sales tax is currently levied on gold purchases.

## **2. Information on the fund management company**

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

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

The amount of the subscribed share capital of the Fund Management Company as at 31 December 2021 is CHF 4 million. The share capital is divided into registered shares and is fully paid up. J. Safra Sarasin Investmentfonds Ltd is a wholly-owned subsidiary of J. Safra Sarasin Holding Ltd, to which Bank J. Safra Sarasin Ltd also belongs.

### Board of Directors

Oliver Cartade (Chairman), Member of the Executive Committee of Bank J. Safra Sarasin Ltd, Basel

Urs Oberer (Vice-Chairman), Managing Director Bank J. Safra Sarasin Ltd, Basel

Daniel Graf, Managing Director Bank J. Safra Sarasin Ltd, Basel

Jan Stig Rasmussen

### Management

Michaela Imwinkelried, Managing Director

Elvan Sahin, Executive Director

Valter Rinaldi, Executive Director

Lucius Wirz, Executive Director

As of 31 December 2021, the Fund Management Company managed a total of 16 collective investment schemes in Switzerland, with assets under management totalling CHF 3.190 billion.

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

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

### **2.2 Delegation of investment decisions**

Investment decisions in respect of the Fund are delegated to Bank J. Safra Sarasin Ltd, Basel. Bank J. Safra Sarasin Ltd is a bank, and as such is subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. Bank J. Safra Sarasin Ltd has many years of experience in constructing, managing and administering portfolios. Precise details of how its remit is to be fulfilled are laid down in an asset management agreement between J. Safra Sarasin Investmentfonds Ltd and Bank J. Safra Sarasin Ltd. With the consent of the Fund Management Company, Bank J. Safra Sarasin Ltd is authorised to use subadvisors within the Sarasin Group. Subadvisors shall be remunerated directly by Bank J. Safra Sarasin Ltd.

### **2.3 Delegation of other specific tasks**

The Fund's accounts are handled by RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch, which has many years of experience in bookkeeping for investment funds and securities. Precise details of how its remit is to be fulfilled are laid down in the agreement between J. Safra

Sarasin Investmentfonds Ltd and RBC Investor Services Bank S.A.

#### **2.4 Exercising of membership and creditors' rights**

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

### **3. Information on the custodian bank**

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

The Custodian Bank may transfer the safekeeping of the fund assets to third-party custodians and central securities depositories in Switzerland or abroad, provided that this is in the interests of proper safekeeping. This is accompanied in particular by operational risks. In respect of financial instruments, the transfer of safekeeping may be made only to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the delegation of safekeeping to

regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question.

The use of third-party custodians and central securities depositories means that deposited securities are no longer owned solely by the Fund Management Company, which instead becomes only a co-owner. If the third-party custodians and central securities depositories are not subject to regulation, they are unlikely to satisfy the organisational requirements that Swiss banks have to meet. In the case of third-party security depositories abroad, the local legislation and industry practices also apply.

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

Investments in physical gold are held in safekeeping exclusively with a Swiss bank in Switzerland. The gold inventories are placed in individual depositories and therefore remain the sole property of the Fund Management Company.

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

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

### **4. Information on third parties**

#### **4.1 Paying agents**

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

#### **4.2 Distributor**

The Fund Management Company can delegate the distribution and marketing of the Fund to third parties. In particular, Bank J. Safra Sarasin Ltd acts as distributor.

## Part I Prospectus

### 4.3 Audit firm

The audit firm is Deloitte AG, Zurich.

## 5. Further Information

### 5.1 Key data

Swiss security number(s)

• Unit class "P CHF dist"	2378909
• Unit class "P EUR dist hedged"	53125542
• Unit class "P USD dist hedged"	53125551
• Unit class "I CHF dist"	18582907
• Unit class "I75 CHF dist"	53125596
• Unit class "I EUR dist hedged"	53125600
• Unit class "I USD dist hedged"	53125902
• Unit class "M CHF dist"	18112015
• Unit class "M EUR dist hedged"	53125957
• Unit class "M USD dist hedged"	53126487
• Unit class "C CHF dist"	23229549
• Unit class "C EUR dist hedged"	53126491
• Unit class "C USD dist hedged"	53126835
• Unit class "Y CHF dist"	27458059
• Unit class "Y EUR dist hedged"	53127112
• Unit class "Y USD dist hedged"	53127275

Listing	None
Financial year	1 September to 31 August
Term	unlimited
Accounting currency	Swiss franc (CHF)
Units	Registered units (managed as book securities), no physical delivery
Appropriation of income	Income distributed to Investors before the end of December each year

### 5.2 Terms for the issue and redemption of fund units

Fund units will be issued and redeemed on every bank working day (Monday to Friday). No issues or redemptions will take place on Swiss public holidays (Easter, Whitsun, Christmas, New Year, 1 August, etc.), or on days when the stock exchanges and markets in the Fund's main investment countries are closed, or when 50% or more of the Fund's assets cannot be adequately valued, or under the exceptional circumstances defined under §17.4 of the Fund Contract.

Subscription and redemption orders received by the Custodian Bank by 12 noon at the latest on a given bank working day (order day) will be settled on the next bank working day (valuation day) on the basis of the net asset

value calculated on this day. The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing). It is calculated on the valuation day on the basis of the closing prices on the order day or, if the Fund Management Company does not think this represents the fair market value, on the basis of the most recent prices available at the time of valuation. If exceptional circumstances make a valuation based on the above rules impractical or inaccurate, the Fund Management Company is entitled to apply other generally recognised and verifiable valuation criteria in order to produce an adequate valuation of the Fund's net assets.

The net asset value of a unit of a given class is determined by the proportion of the market value of the fund assets attributable to that unit class, less any of the fund liabilities that are attributed to that unit class, divided by the number of units of that class in circulation. It will be rounded to two decimal points of the reference currency for that unit class.

The issue price is determined as follows: net asset value calculated on the valuation date, plus average incidental costs (standard brokerage charges, fees, taxes etc.) arising for the Fund as a result of the investment of the paid-in sum, plus issuing commission. The amount of incidental costs and issuing commission are stipulated below in 5.3.

The redemption price of the units in each class is determined as follows: net asset value calculated on the valuation date, less average incidental costs arising for the Fund as a result of the sale of part of the assets corresponding to the redeemed portion, less redemption commission. The amount of incidental costs and redemption commission are stipulated below in 5.3.

The issue and redemption price will be rounded to two decimal points of the reference currency for that unit class. Payment will be made one bank working day after the valuation day (value date plus two days).

Units do not take the form of actual certificates but will exist purely as book entries.

### 5.3 Fees and incidental costs

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

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

- not more than 3% for unit classes "P" and "C"

- not more than 0% for units of the unit classes "I", "M" and "Y"
- Unit classes "Y CHF dist", "Y EUR dist hedged" and "Y USD dist hedged":  
not more than 0.2% p.a. of the net asset value

Incidental costs arising for the Fund as a result of the investment of the paid-in sum or costs from the sale of redeemed units (see § 17 point 2 of the Fund Contract)

Addition to the net asset value	0.3%
Deduction from the net asset value	0.3%

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

Management fee charged by the Fund Management Company

- Unit classes "P CHF dist", "P EUR dist hedged" and "P USD dist hedged":  
not more than 1.75% p.a. of the net asset value
- Unit classes "I CHF dist", "I EUR dist hedged" and "I USD dist hedged",  
not more than 1.25% p.a. of the net asset value
- Unit class "I75 CHF dist":  
not more than 0.90% p.a. of the net asset value
- Unit classes "M CHF dist", "M EUR dist hedged" and "M USD dist hedged":  
not more than 0.00% p.a. of the net asset value: will be levied separately
- Unit classes "C CHF dist", "C EUR dist hedged" and "C USD dist hedged":  
not more than 1.30% p.a. of the net asset value
- Unit classes "Y CHF dist", "Y EUR dist hedged" and "Y USD dist hedged":  
not more than 1.00% p.a. of the net asset value

The commission covers the administration, asset management and in some cases the distribution activity in relation to the Fund (excluding unit classes "M CHF dist", "M EUR dist hedged" and "M USD dist hedged").

Custodian bank's commission

- Unit classes "P CHF dist", "P EUR dist hedged" and "P USD dist hedged":  
not more than 0.2% p.a. of the net asset value
- Unit classes "I CHF dist", "I75 CHF dist", "I EUR dist hedged" and "I USD dist hedged":  
not more than 0.2% p.a. of the net asset value
- Unit classes "M CHF dist", "M EUR dist hedged" and "M USD dist hedged":  
not more than 0.1% p.a. of the net asset value
- Unit classes "C CHF dist", "C EUR dist hedged" and "C USD dist hedged":  
not more than 0.2% p.a. of the net asset value

The commission covers the Custodian Bank's tasks such as the safekeeping of the Fund's assets, payments clearance and other activities described in § 4.

The Custodian Bank will deduct a commission of not more than 0.5% of the gross value of the dividend for payment of the annual return to investors.

Furthermore, the fees and incidental costs listed under § 19 of the Fund Contract may also be charged to the Fund. Information on the rates actually charged can be found in the annual and semi-annual reports.

The management fee of the target funds in which investments are made may not exceed 2%. The maximum rate of the management fee of the target funds in which investments are made will be disclosed in the annual report.

### 5.3.3 Payment of retrocessions and rebates

The Fund Management Company and its representatives can pay retrocessions to cover the Fund's distribution activity. This can include, for example, any activity whose purpose is to promote the distribution or marketing of fund units, such as the organisation of roadshows, participation in industry events or trade fairs, the production of advertising materials, staff training in the area of distribution, etc.

Retrocessions are not treated as rebates if they are effectively passed on in part or in full to the Investors. The recipients of retrocessions shall ensure transparent disclosure and must inform the Investor, without being asked to do so and free of charge, about the level of remuneration they have received for distribution. If requested to do so, the recipients of retrocessions shall disclose the effective amounts they have received for the distribution of the collective investments of these Investors.

The Fund Management Company and its representatives can pay rebates directly to the Investor on request in connection with the distribution activity. The purpose of the rebates is to reduce the fees or costs charged to the Investor in question. Rebates are admissible as long as

## Part I Prospectus

- they are paid from the Fund Manager's fees and do not therefore make an additional charge on the Fund's assets;
- they are granted on the basis of objective criteria;
- they are granted to all Investors that meet the objective criteria, under the same preconditions in terms of time, and to the same extent.

Rebates are granted subject to the following objective criteria being fulfilled:

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

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

### 5.3.4 Total Expense Ratio

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

Unit class "P CHF dist":

<u>01.09.2018 to 31.08.2019:</u>	<u>1.96%</u>
<u>01.09.2018 to 31.08.2019:</u>	<u>1.97%</u>
<u>01.09.2020 to 31.08.2021:</u>	<u>1.97%</u>

### 5.3.5 Commission sharing agreements and non-pecuniary

benefits ("soft commissions")

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

### 5.3.6 Investments in related collective investment schemes

In the case of investment in other collective investment schemes that are managed directly or indirectly by the Fund Management Company itself or by a company with which it is related by virtue of common management, control or a substantial direct or indirect investment, no issue and redemption commission is charged.

## 5.4 Publication of official notices by the Investment Fund

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

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

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

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

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

## 5.5 Sales restrictions

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

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

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

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

**5.6 Detailed regulations**

All further information on the Fund, such as the method used for the valuation of the Fund's assets, a list of all fees and incidental costs charged to the Investor and the Fund, and the appropriation of net income, can be found in the Fund Contract.

## Part II Fund Contract

### I. Basis

#### § 1 Name of the Fund; name and registered office of the Fund Management Company

Custodian Bank and asset managers

1. A contractual fund of the "other funds for traditional investments" type has been established under the name of JSS Commodity – Diversified (CHF) (referred to below as the "Investment Fund", or the "Fund") in accordance with Art. 25 et seq. in conjunction with Art. 68 et seq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).
2. The Fund Management Company is J. Safra Sarasin Investmentfonds Ltd, Basel.
3. The Custodian Bank is Bank J. Safra Sarasin Ltd, Basel.
4. The asset manager is Bank J. Safra Sarasin Ltd, Basel.

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

#### § 2 The Fund Contract

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

#### § 3 The Fund Management Company

1. The Fund Management Company manages the Fund at its own discretion and in its own name, but for the account of the Investors. It decides in particular on the issue of units, the investments and their valuation. It calculates the net asset value and determines the issue and redemption price of units, as well as distributions of income. It exercises all rights associated with the Investment Fund.
2. The Fund Management Company and its agents are subject to duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the Investors. They implement the organisational measures that are necessary for proper management. They account for the collective investment schemes they manage and provide information on all fees and costs charged directly or indirectly to Investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary benefits.

3. The Fund Management Company may delegate investment decisions and specific tasks to third parties, provided that this is in the interests of proper management. It only commissions persons who have the necessary skills, knowledge and experience for this activity and who have the required authorisation. It carefully instructs and monitors the third parties involved.

Investment decisions may only be delegated to asset managers who have the necessary authorisation.

- The Fund Management Company will remain responsible for the fulfilment of the supervisory duties and will safeguard the interests of the Investors when delegating tasks. The Fund Management Company is liable for the actions of persons to whom it has delegated tasks as if they were its own actions.
4. The Fund Management Company may, with the consent of the Custodian Bank, submit a change to the present Fund Contract to the supervisory authority for approval (see § 26).
5. The Fund Management Company may, in accordance with the provisions set down under §24, merge the Investment Fund with other investment funds or may, in accordance with the provisions set down under §25, dissolve the Investment Fund.
6. The Fund Management Company is entitled to receive the fees stipulated in § 18 and § 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties, and to be reimbursed for expenses incurred in connection with such liabilities.

#### § 4 The Custodian Bank

1. The Custodian Bank is responsible for the safekeeping of the fund assets. It handles the issue and redemption of fund units as well as payment transfers on behalf of the Investment Fund.
2. The Custodian Bank and its agents are subject to duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the Investors. They implement the organisational measures that are necessary for proper management. They account for the collective investment schemes they retain and provide information on all fees and costs charged directly or indirectly to Investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary benefits.



3. The Custodian Bank is responsible for account and safekeeping account management on behalf of the Investment Fund, but does not have independent access to its assets.
4. The Custodian Bank ensures that, in the case of transactions relating to the assets of the Investment Fund, the countervalue is transferred within the usual time limit. It notifies the Fund Management Company if the countervalue is not remitted within the usual time limit and, where possible, requests reimbursement for the asset item concerned from the counterparty.
5. The Custodian Bank keeps the required records and accounts in such a manner that it is, at all times, able to distinguish between the assets held in safekeeping for the individual investment funds.  
In relation to assets that cannot be taken into safekeeping, the Custodian Bank verifies ownership by the Fund Management Company, and keeps a record thereof.
6. The Custodian Bank may entrust the safekeeping of the fund assets to third-party custodians and central securities depositories in Switzerland or abroad, provided that this is in the interests of proper safekeeping. The Custodian Bank verifies and monitors that the third-party custodian or central securities depository it appoints:
  - a) possesses an appropriate organisational structure, financial guarantees and the specialist qualifications required given the nature and complexity of the assets entrusted to it;
  - b) is subject to regular external audits, thereby ensuring that it possesses the financial instruments;
  - c) the assets received from the Custodian Bank are held in safekeeping in such a manner that by means of regular portfolio comparisons they can, at all times, be clearly identified as belonging to the fund assets;
  - d) complies with the provisions applicable to the Custodian Bank with respect to the performance of the tasks delegated to it and the avoidance of conflicts of interest.

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

instruction, and monitoring. The Prospectus contains information on the risks associated with the delegation of safekeeping to third-party custodians and central securities depositories.

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

Investments in physical gold are held in safekeeping exclusively with a Swiss bank in Switzerland.

7. The Custodian Bank ensures that the Fund Management Company complies with the law and the Fund Contract. It verifies that the calculation of the net asset value and of the issue and redemption prices of the units, as well as the investment decisions, are in compliance with the law and the Fund Contract, and that income is appropriated in accordance with the Fund Contract. The Custodian Bank is not responsible for the choice of investments which the Fund Management Company makes in accordance with the investment regulations.
8. The Custodian Bank is entitled to receive the fees stipulated in §§18 and 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties, and to be reimbursed for expenses incurred in connection with such liabilities.
9. The Custodian Bank is not responsible for the safekeeping of the assets of the target funds in which this Investment Fund invests, unless this task has been delegated to it.

## § 5 The Investor

1. There are no restrictions in terms of investor eligibility. Restrictions are possible for individual classes in accordance with § 6.4.

## Part II Fund Contract

2. On concluding the contract and making a payment in cash, the Investor acquires a claim against the Fund Management Company in respect of participation in the Investment Fund's assets and income. This Investor's claim is evidenced in the form of fund units.
3. Investors are obliged only to remit payment for the units of the Fund they subscribe. They are not held personally liable for the liabilities of the Fund.
4. Investors may obtain information concerning the basis of the calculation of the net asset value per unit from the Fund Management Company at any time. If Investors assert an interest in more detailed information on specific business transactions effected by the Fund Management Company, such as the exercise of membership and creditors' rights, or on risk management, they must be given such information by the Fund Management Company at any time. The Investors may request before the courts of the registered office of the Fund Management Company that the audit firm or another expert investigate the matter which requires clarification and furnish the Investors with a report.
5. The Investors may terminate the Fund Contract at any time and demand that their share in the Investment Fund be paid out in cash.
6. Upon request, Investors are obliged to provide the Fund Management Company and/or the Custodian Bank and their agents with proof that they comply with or continue to comply with the conditions laid down in the law or the Fund Contract in respect of participation in the Fund or in a unit class. Furthermore, they are obliged to inform the Custodian Bank, the Fund Management Company and their agents immediately they cease to meet these conditions.
7. The Fund Management Company, in cooperation with the Custodian Bank, must make an enforced redemption of the units of an Investor at the current redemption price if:
  - a) this is necessary to safeguard the reputation of the financial market, and specifically to combat money laundering;
  - b) the Investor no longer meets the statutory or contractual preconditions for participation in this Investment Fund.
8. The Fund Management Company, in cooperation with the Custodian Bank, may also make an enforced redemption of the units of an Investor at the current redemption price if:
  - a) the participation of the Investor in the Investment Fund is such that it might have a significant detrimental impact on the economic interests of the other Investors, in particular if the participation might result in tax disadvantages for the Investment Fund in Switzerland or abroad;
  - b) the Investor has acquired or holds their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, of the present Fund Contract or of the Prospectus;
  - c) there is a detrimental impact on the economic interests of the Investors, in particular in cases in which individual Investors seek by way of systematic subscriptions and immediate redemptions to achieve a financial benefit by exploiting the time differences between the setting of the closing prices and the valuation of the fund assets (market timing).

### § 6 Units and unit classes

1. The Fund Management Company may establish different unit classes and may also merge or dissolve unit classes at any time subject to the consent of the Custodian Bank and the approval of the supervisory authority. All unit classes embody an entitlement to a share in the undivided assets of the Fund, which are not segmented. This share may differ owing to class-specific costs or distributions or class-specific income and the various classes may therefore have different net asset values per unit. The assets of the Investment Fund as a whole are liable for class-specific costs.
2. Notification of the creation, dissolution or merger of unit classes is published in the official medium of publication. Only mergers are deemed a change to the Fund Contract pursuant to § 26.
3. The various unit classes may differ from one another in terms of their cost structure, reference currency, currency hedging, policy with regard to distribution or reinvestment of income, the minimum investment required, and investor eligibility. Fees and costs are charged only to that unit class for which the service in question is performed. Fees and costs that cannot be allocated unequivocally to a specific unit class are charged to the individual unit classes on a pro rata basis in relation to their share of the fund assets.
4. At present, there are the following unit classes:

“P CHF dist“,  
 “P EUR dist hedged“,  
 “P USD dist hedged“,  
 “I CHF dist“,  
 “I75 CHF dist“,  
 “I EUR dist hedged“,  
 “I USD dist hedged“,  
 “M CHF dist“,  
 “M EUR dist hedged“,  
 “M USD dist hedged“,  
 “C CHF dist“,  
 “C EUR dist hedged“,  
 “C USD dist hedged“,  
 “Y CHF dist“,  
 “Y EUR dist hedged“,  
 “Y USD dist hedged“.

All the unit classes currently issued distribute their income. The unit classes differ as to the conditions of purchase and the cost structure (see § 19).

For the purchase of unit classes “P CHF dist“, “P EUR dist hedged“ and “P USD dist hedged“, no special rules apply with regard to the minimum investment or particular qualifying attributes of Investors.

The unit classes “I CHF dist“, “I EUR dist hedged“ and “I USD dist hedged“ are reserved for qualified investors within the meaning of art. 10 para. 3 - 3ter CISA. In addition, a minimum initial investment of 1 million in the currency of the relevant unit class applies for the “I CHF dist“, “I EUR dist hedged“ and “I USD dist hedged“ unit classes, irrespective of whether the investment is made for the investor’s own account or on behalf of a third party. No minimum sums apply for top-up investments.

The unit class “I75 CHF dist“ is reserved for qualified investors within the meaning of art. 10 para. 3 - 3ter CISA. In addition, a minimum initial investment of CHF 75 million applies, irrespective of whether the investment is made for the investor’s own account or on behalf of a third party. No minimum sums apply for top-up investments.

The unit classes “M CHF dist“, “M EUR dist hedged“ and “M USD dist hedged“ is reserved for qualified investors within the meaning of art. 10 para. 3 - 3ter

of CISA who hold an asset management mandate or have signed a special agreement that specifically allows investment in this Fund with Bank J. Safra Sarasin Ltd or one of its group companies or branches. No administration fee is levied on the unit classes “M CHF dist“, “M EUR dist hedged“ and “M USD dist hedged“. The remuneration for the administration, asset management and distribution will be levied under the terms of the abovementioned contracts by Bank J. Safra Sarasin Ltd or one of its group companies or branches. This authorisation is explicitly regulated in the agreements made between the Fund Management Company and the Bank. The costs of the fund management company for the administration of the unit classes “M CHF dist“, “M EUR dist hedged“ and “M USD dist hedged“ will be compensated by the Bank based on a separate contractual relationship.

The unit classes “C CHF dist“, “C EUR dist hedged“ and “C USD dist hedged“ are reserved for:

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

The unit classes “Y CHF dist“, “Y EUR dist hedged“ and “Y USD dist hedged“ are reserved for private investors who hold an asset management mandate or have signed an advisory agreement with Bank J. Safra Sarasin Ltd or one of its group companies or branches,

## Part II Fund Contract

The unit classes with the "hedged" component are denominated in euros or US dollars and hedge currency fluctuations against the unit of account of the fund (CHF).

In the case of Investors in the unit classes "I CHF dist", "I75 CHF dist", "I EUR dist hedged", "I USD dist hedged", "M CHF dist", "M EUR dist hedged", "M USD dist hedged", "C CHF dist", "C EUR dist hedged", "C USD dist hedged", "Y CHF dist", "Y EUR dist hedged" and "Y USD dist hedged", if at a later date any of these requirements ceases to be met, the Fund Management Company shall be entitled to arrange for these Investors to be transferred to a unit class for which they are eligible.

5. Units do not take the form of actual certificates but will exist purely as book entries. Investors are not entitled to demand the delivery of a registered or bearer fund unit certificate.
6. The Custodian Bank and the Fund Management Company are obliged to instruct Investors who no longer meet the conditions for holding a unit class that, within 30 calendar days, they must redeem their units pursuant to § 17, transfer them to a person who does meet the aforementioned conditions, or convert them into units of another unit class whose conditions they do meet. If an Investor fails to comply with this demand, the Fund Management Company must, in cooperation with the Custodian Bank, make an enforced conversion into another unit class of this Investment Fund or, should this not be possible, enforce the redemption of the units in question pursuant to § 5.7.

### III. Investment policy guidelines

#### A Investment principles

##### § 7 Compliance with investment restrictions

1. In selecting individual investments the Fund Management Company must adhere to the principle of balanced risk diversification and must observe the percentage limits defined below. These percentages relate to fund assets at market value and must be complied with at all times.
2. If the limits are exceeded as result of market-related changes, the investments must be restored to the permitted level within a reasonable period, taking due

account of the Investors' interests. If the limits relating to derivatives pursuant to § 12 below are exceeded as a result of a change in the Delta, this is to be rectified within three bank working days at the latest, taking due account of the Investors' interests.

##### § 8 Investment policy

1. The Fund Management Company may invest the assets of this Investment Fund in the following investments. The risks involved in these investments must be disclosed in the Prospectus.
  - a) Swaps, forwards and futures contracts (long) on stock market indexes and individual commodities;
  - b) Certificates on commodity indexes and individual commodities traded on a stock exchange or on another regulated market open to the public. Certificates can also be traded OTC (Over-the-Counter), but only in accordance with the provisions of § 12, 6;
  - c) Bonds, notes or other fixed-/variable-interest debt securities and rights with a remaining maximum term of between 12 and 24 months, for up to 25% of the fund's assets, in a freely convertible currency and traded on a stock exchange or on another regulated market open to the public, which are issued by public-sector or private issuers domiciled anywhere in the world. In the case of instruments with variable interest rates, the maturity is taken as the date of the next interest rate adjustment;
  - d)
    - da) Units of other collective investment schemes (target funds) under Swiss law of the type "securities fund" which, according to their documents, invest their assets according to the guidelines of this Investment Fund or parts thereof,
    - db) Units of other collective investment schemes (target funds) under Swiss law of the type "other funds for traditional investments" which, according to their documents, invest their assets according to the guidelines of this Investment Fund or parts thereof,
    - dc) Units of target funds under Swiss law of the type "other funds for alternative investments" which, according to their

documents, invest their assets according to the guidelines of this Investment Fund or parts thereof,

- dd) Units of undertakings for collective investment in transferable securities (UCITS) that satisfy Directives 85/611/EEC of 20 December 1985 (UCITS I), 2001/107/EC and 2001/108/EC of 21 January 2002 (UCITS III) or as of 1 July 2011 Directive 2009/65/EC of 13 July 2009 (UCITS IV) respectively, which, according to their documents, invest their assets according to the guidelines of this Investment Fund or parts thereof.
- de) Units of undertakings for collective investment (UCI) that are equivalent to “other funds for traditional investments” under Swiss law, which, according to their documents, invest their assets according to the guidelines of this Investment Fund or parts thereof,
- df) Units of undertakings for collective investment (UCI) that are equivalent to “other funds for alternative investments” under Swiss law, which, according to their documents, invest their assets according to the guidelines of this Investment Fund or parts thereof,

The redemption frequency of the target fund must be the same as that of the fund-of-funds.

The target funds must be authorised as collective investment schemes in their country of domicile and are subject there to supervision which is equivalent to that in Switzerland and which serves to protect investors, and international administrative assistance must be ensured.

The target funds must be open-end collective investment schemes, i.e. contractual investment funds and collective investment schemes with variable capital.

The Fund Management Company may not acquire funds-of-funds (investment funds whose fund contracts or articles of association allow more than 49% of the

assets to be invested in other collective investment schemes);

- e) Money market instruments issued by public-sector or private issuers domiciled anywhere in the world, provided these are liquid, can be readily valued and are traded on an exchange or other regulated market open to the public. Money market instruments which are not traded on an exchange or other regulated market open to the public may be acquired only if the issue or the issuer is subject to provisions regarding creditor or Investor protection and if the money market instruments are issued or guaranteed by issuers pursuant to Art. 74 para. 2 CISO.
- f) Sight or time deposits with terms to maturity not exceeding twelve months with banks domiciled in Switzerland or in a member state of the European Union, or in another country provided that the bank is subject to supervision in that country which is equivalent to the supervision in Switzerland.
- g) Physical gold bullion (unembossed bars, standard size 12.5 kg with a purity of 995/1000 or better).
- h) Synthetic liquidity can be created by purchasing physical gold and at the same time selling a futures contract of the corresponding size. The sale of the futures contract completely hedges the price risk of gold. There is still an underlying risk, i.e. the futures contract may, in certain circumstances, perform differently to the gold price. The Fund can hold physical gold both as collateral and for investment purposes.
- i) Investments other than those mentioned in a) to h) above may not account for more than 10% of the Fund's assets in total.

2. In addition, the Fund Management Company shall comply with the investment restrictions below that relate to the fund assets after deducting liquid assets:

- other collective investment schemes up to a combined maximum of 10%.

Subject to the provisions of § 19, the Fund Management Company may acquire units in target funds managed directly or indirectly by the Fund Management Company itself or by a company to which the Fund Management Company is related by virtue of common management or control, or by a significant direct or indirect interest.

## Part II Fund Contract

3. The total liabilities entered into as stipulated in para. 1a) above must be equivalent to at least two-thirds of the Fund's assets after deduction of the liquid assets as described in § 9. These liabilities must in turn be covered at all times by cash equivalents as stipulated in paras. 1 c), 1 e), 1 f), or synthetic liquidity created as described in para. 1 h).
4. These investments referred to in 1 c) and 1 e) and their issuers must have a minimum rating of A- from Standard & Poor's or equivalent by another recognised rating institution.
5. Investments in securities from new issues are permitted only if their terms of issue provide for their admission to an exchange or other regulated market open to the public. If they have not been admitted to an exchange or other regulated market open to the public within one year after their acquisition, these securities must be sold within one month or included under the restriction set down in para. 1 i).
6. The Fund's assets must not be invested in equity securities or rights (shares, etc.), goods or commercial paper, or in convertible bonds and warrants. Direct investment in commodities is not allowed, nor is short selling. Where derivatives and certificates are used, the Fund Management Company must also ensure that their maturity does not result in physical delivery of the underlying commodities (by "rolling" futures, or by selecting specific brokers with whom physical delivery can be excluded, etc.).
7. The Fund Management Company will ensure appropriate liquidity management. The details are disclosed in the Prospectus.

### § 9 Liquid assets

The Fund Management Company may also hold liquid assets in an appropriate amount in the Investment Fund's accounting currency and in any other currency in which investments are permitted. Liquid assets comprise sight and time deposits with maturities up to 12 months.

## B Investment techniques and instruments

### § 10 Securities lending

The Fund Management Company does not engage in securities lending at present.

### § 11 Securities repurchase agreements

The Fund Management Company does not engage in securities repurchase agreements.

### § 12 Derivatives

1. The Fund Management Company may use derivatives for the efficient management of the fund assets. It ensures that, even in exceptional market conditions, the financial effect of using derivatives does not result in a deviation from the investment objectives set out in the present Fund Contract and in the Prospectus and key information document, and that it does not change the investment character of the Fund. Furthermore, the underlyings of the derivatives must be permissible investments according to the present Fund Contract.  
In connection with collective investment schemes, derivatives may only be used for the purposes of currency hedging. The hedging of market, interest rate and credit risks in the case of collective investment schemes is unaffected, provided that the risks can be clearly determined and measured.
2. Based on its planned use of derivatives, the so-called Commitment II approach is used to assess the risk for the Fund. The overall exposure of this Investment Fund that is associated with derivatives may therefore not exceed 100% of its net assets, and overall exposure may not exceed a total of 200% of its net assets. Taking into account the possibility of temporary borrowing amounting to no more than 25% of the Fund's net assets pursuant to § 13.2, the overall exposure of the Investment Fund may be up to 225% of the Fund's net assets. The Fund Management Company must, at all times, be able to meet the payment and delivery obligations entered into in respect of the derivatives from the fund assets in accordance with the legislation on collective investment schemes.
3. The Fund Management Company may, in particular, use basic forms of derivatives such as call or put options, the expiration value of which is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price, and is zero if the difference is preceded by the opposite sign (+ or -), credit default swaps (CDS), swaps, the payments of which are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent

manner, as well as future and forward transactions, the value of which is linearly dependent on the value of the underlying. It may also use combinations of basic forms of derivatives.

4.
  - a) Derivatives must be broken down by the Fund Management Company into the three risk categories of market risk, credit risk, and currency risk. If a derivative entails risks in more than one category, it must be included in each of the corresponding risk categories with its underlying equivalent. In the case of futures, forwards and swaps, the underlying equivalent is determined by the product of the number of contracts and the contract value. In the case of options, it is determined by the product of the number of contracts, the contract value, and the delta (provided one has been calculated).
  - b) Counterpositions in derivatives with the same underlying and in investments in that underlying may be netted off against one another.
  - c) Counterpositions of different underlyings may be netted off against one another only if they are similar in terms of market risk, credit risk, and currency risk and exhibit a high correlation.
  - d) Call options sold and put options purchased may be included in the netting process only if their delta has been calculated.
  - e) Subject to any netting in accordance with b) to d) above, the absolute amounts of the underlying equivalents of the derivatives must be added together for each risk category. In none of the three risk categories may the sum of the underlying equivalents ever exceed the Fund's net assets.
  - f) Payment obligations in respect of derivatives must be covered at all times by near-money assets, debt securities and rights, or equities that are traded on an exchange or other regulated market open to the public, in accordance with the legislation on collective investment schemes. These near-money assets and investments may be used to cover several derivative positions at the same time, provided such positions are exposed to a market risk or credit risk and are based on the same underlyings.
  - g) Physical delivery obligations in respect of derivatives must be covered at all times by the corresponding underlyings or by other investments, provided the associated risks, such as market risks, currency risks, and interest risks, are similar to those of the underlying being delivered, the investments and the underlyings exhibit a high correlation, the investments and the underlyings are highly liquid, and they may be purchased or sold at any time, should delivery be requested. Underlyings may be used to cover several derivative positions at the same time, provided such positions are exposed to a market risk, credit risk or currency risk and are based on the same underlyings.
5. The Fund Management Company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading.
6.
  - a) The Fund Management Company may conclude OTC transactions only with regulated financial intermediaries specialised in such types of transactions that ensure proper execution of the contract. If the counterparty is not the Custodian Bank, the former or the guarantor must meet the minimum credit rating requirements stipulated in the legislation on collective investment schemes under Art. 31 CISO-FINMA.
  - b) It must be possible reliably and verifiably to value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
  - c) If no market price is available for an OTC-traded derivative, it must be possible to determine the price at any time based on the market value of the underlyings, using appropriate valuation models that are recognised in practice. Moreover, before the conclusion of such transactions, specific offers must be obtained from at least two potential counterparties and the most favourable offer must be accepted, under due consideration of the price, credit rating, risk distribution and the range of services offered by the counterparties. The conclusion of

## Part II Fund Contract

the transaction and pricing must be clearly documented.

7. In complying with the statutory and contractual investment restrictions (maximum and minimum limits), derivatives must be factored in in accordance with the legislation on collective investment schemes.
8. The Prospectus must contain further information on:
  - the importance of derivatives as part of the investment strategy;
  - the effect of the use of derivatives on the risk profile of the Investment Fund;
  - the counterparty risks attached to derivatives;
  - the increase in volatility created by the use of derivatives and the higher overall commitment (leverage effect);
  - credit derivatives.
9. As far as indirect investments through derivatives are concerned, it should be noted that accumulation of risk is possible with such investments. In such cases there is not just the market risk associated with the underlying instrument to consider, but also the risk associated with the issuer of the derivative. This risk accumulation can become particularly significant where derivatives are used systematically rather than a broadly diversified portfolio of direct investments.

### § 13 Raising and granting loans

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

### § 14 Encumbrance of the fund assets

1. No more than 60% of the Fund's net assets may be pledged or ownership thereof transferred as collateral by the Fund Management Company at the expense of the Investment Fund.
2. The fund assets may not be encumbered with guarantees.

## C Investment restrictions

### § 15 Risk diversification

1. The regulations on risk diversification must include the following:
  - a) Investments pursuant to § 8, with the exception of index-based derivatives as long as the index

is sufficiently diversified and representative of the market to which it relates and sufficiently publicised;

- b) liquid assets pursuant to § 9;
  - c) Claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
  3. Including derivatives, the Fund Management Company may invest up to a maximum of 10% of the fund assets in the investments described in 1) above from the same issuer. The total value of the securities and money market instruments from the issuers in which more than 5% of the fund assets are invested may not exceed 40% of the fund assets. The provisions under point 4 and 5 below remain reserved. The Fund Management Company must or may invest a minimum of 20% and a maximum of 50% of the fund's assets in one of the three commodity categories (energy, agricultural products and metals, incl. gold). No single commodity may exceed 20% of fund assets, whereby the fund assets must be invested in at least 15 different commodities.
  4. The Fund Management Company may invest up to a maximum of 20% of the fund assets in sight and time deposits held with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 must be included in this limit.
  5. The Fund Management Company may invest up to a maximum of 5% of the fund assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 10% of the fund assets.

If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets in accordance with the relevant provision of the Swiss Liquidity Ordinance, such claims are not included in the calculation of counterparty risk.
  6. Investments, deposits and claims pursuant to points 3-5 above from the same issuer/borrower may not, in total, exceed 20% of the fund assets. This does not affect the higher limits set out in points 11 and 12 below.



7. Investments pursuant to point 3 above with the same group of companies may not, in total, exceed 20% of the fund assets. This does not affect the higher limits set out in points 11 and 12 below.
8. The Fund Management Company may invest up to a maximum of 10% of the fund assets in units in the same target fund.
9. The Fund Management Company may acquire for the fund assets up to a maximum of 10% of debt instruments and/or money market instruments from the same issuer, as well as up to a maximum of 25% of the units in other collective investment schemes. These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units in other collective investment schemes cannot be calculated at the time of the acquisition.
10. The restrictions in point 9 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.
11. The limit in point 3 above is increased from 10% to 35% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. The aforementioned securities or money-market instruments will not be taken into account in the application of the 40% limit pursuant to point 3. However, the individual limits specified in points 3 and 5 may not be added to the existing limit of 35%.
12. The limit in point 3 above is increased from 10% to 100% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. In this case, the Investment Fund must invest in securities or money market instruments from at least six different issues; no more than 30% of the fund assets may be invested in securities or money market instruments from the same issue. The aforementioned securities or money market instruments will not be taken into account in the application of the 40% limit pursuant to point 3.

The aforementioned authorised issuers/guarantors are: the European Union (EU), OECD states, the European Council, the International Bank for Reconstruction and Development (World Bank), the European Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and Eurofima (European Company for the Financing of Railway Rolling Stock).

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

##### § 16 Calculation of the net asset value

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

## Part II Fund Contract

market returns. If there is no current market price in such instances, calculations 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).

5. Bank deposits are valued at the amount of the claim plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The value of the gold is calculated on the basis of the closing price for gold trading in New York (basis: Bloomberg Golds Comdty HP).
7. The net asset value of a unit of a given class is determined by the proportion of the market value of the fund assets attributable to that unit class, less any of the fund liabilities that are attributed to that unit class, divided by the number of units of that class in circulation. It will be rounded to two decimal points of the reference currency for that unit class.
8. The percentages of the market value of the Fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the Fund for each unit class. The percentage is recalculated when one of the following events occurs:
  - a) when units are issued and redeemed;
  - b) on the cut-off date for distributions, provided that (i) such distributions are made only for individual unit classes (distribution classes), or provided that (ii) the distributions of the various unit classes differ as percentages of their individual net asset values, or provided that (iii) different commission or costs, as percentages, are charged on the distributions of the various unit classes;
  - c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various unit classes, provided that the liabilities of the various unit classes differ as percentages of their individual net asset values, especially if (i) different commission rates are applied to the various unit classes or if (ii) class-specific costs are charged;

- d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains originate from transactions made solely in the interests of one unit class or in the interests of several unit classes, but not in proportion to their share of the net fund assets.

### § 17 Issue and redemption of units

1. Subscription and redemption orders for units will be accepted on the order day up to a certain cut-off time specified in the Prospectus. The definitive price of the units for the issues and redemptions is determined at the earliest on the bank working day following the day the order is placed (valuation day). This is referred to as "forward pricing". The details are governed by the Prospectus.
2. The issue and redemption price of units is based on the net asset value per unit, calculated pursuant to § 16 on the valuation day on the basis of the closing prices from the previous day. At the time of issue, the average incidental costs (standard brokerage charges, fees, taxes etc.) arising for the Fund as a result of the investment of the paid-in sum, are added to the net asset value. In the case of unit redemptions, the incidental costs incurred in connection with the sale of a redeemed portion of investments will be deducted from the net asset value. The applicable rate is stated in the Prospectus and Key Investor Information Document. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18. In the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.
3. The Fund Management Company may suspend the issue of units at any time, and may reject applications for the subscription or conversion of units.
4. The Fund Management Company may, temporarily and by way of exception, defer repayment in respect of fund units in the interests of all Investors:
  - a) if a market which forms the basis of the valuation of a significant proportion of the fund assets is closed, or if trading on such a market is restricted or suspended;
  - b) in the event of a political, economic, military, monetary or other emergency;

- c) if, owing to exchange controls or restrictions on other asset transfers, the Fund is no longer able to transact its business;
  - d) in the event of large-scale redemptions that might significantly impair the interests of the remaining Investors.
5. The Fund Management Company will immediately inform the audit firm and the supervisory authority of any decision to defer redemptions. It must also inform the Investors in a suitable manner.
  6. No units will be issued for as long as repayments in respect of units are deferred for the reasons stipulated under point 4 a) to c).

## V. Fees and incidental costs

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

1. On the issue of fund units, the Investors may be charged an issuing commission accruing to the Fund Management Company, the Custodian Bank and/or distributors in Switzerland and abroad which, in total, may not exceed 3% of the net asset value plus the incidental costs. The currently applicable maximum rate is stated in the Prospectus and Key Investor Information
2. At the time of issue and redemption of units, the Fund Management Company also charges Investors the average incidental costs arising for the Fund as a result of the investment of the paid-in sum or those costs incurred in connection with the sale of a redeemed portion of investments (see § 17, point 2). The applicable rate is stated in the Prospectus and Key Investor Information Document.
3. For payments in connection with the liquidation of the Fund, the Custodian Bank may charge the Investor a commission not exceeding 0.5% of the net asset value of the units.

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

1. For the administration, asset management and distribution of the Fund, the Fund Management Company will charge the Fund a commission not exceeding
  - 1.75% (unit class “P CHF dist”)
  - 1.75% p.a. (unit class “P EUR dist hedged”)
  - 1.75% p.a. (unit class “P USD dist hedged”)
  - 1.25% p.a. (unit class “I CHF dist”)
  - 0.90% p.a. (unit class “I75 CHF dist”)

- 1.25% p.a. (unit class “I EUR dist hedged”)
  - 1.25% p.a. (unit class “IUSD dist hedged”)
  - 0.00% p.a. (unit class “M CHF dist”)  
this is levied separately according to § 6 point 4.
  - 0.00% p.a. (unit class “M EUR dist hedged”); will be levied according to § 6 para. 4.
  - 0.00% p.a. (unit class “M USD dist hedged”); will be levied according to § 6 para. 4.
  - 1.30% p.a. (unit class “C CHF dist”)
  - 1.30% p.a. (unit class “C EUR dist hedged”)
  - 1.30% p.a. (unit class “C USD dist hedged”)
  - 1.00% p.a. (unit class “Y CHF dist”)
  - 1.00% p.a. (unit class “Y EUR dist hedged”)
  - 1.00% p.a. (unit class “Y USD dist hedged”)  
of the Fund’s net assets, to be charged to the fund assets on a pro rata basis every time the net asset value is calculated, and paid out at the end of each quarter (management fee, incl. distribution commission).
- The rate of the management fee actually charged is stated in the annual and semi-annual reports.
2. For the safekeeping of the fund assets, the handling of the Fund’s payment transactions and the performance of the other tasks of the Custodian Bank listed under § 4, the Custodian Bank will charge the Investment Fund a commission not exceeding
    - 0.2% p.a. (unit class “P CHF dist”)
    - 0.2% p.a. (unit class “P EUR dist hedged”)
    - 0.2% p.a. (unit class “P USD dist hedged”)
    - 0.2% p.a. (unit class “I CHF dist”)
    - 0.2% p.a. (unit class “I75 CHF dist”)
    - 0.2% p.a. (unit class “I EUR dist hedged”)
    - 0.2% p.a. (unit class “I USD dist hedged”)
    - 0.1% p.a. (unit class “M CHF dist”)
    - 0.1% p.a. (unit class “M EUR dist hedged”)
    - 0.1% p.a. (unit class “M USD dist hedged”)
    - 0.2% p.a. (unit class “C CHF dist”)
    - 0.2% p.a. (unit class “C EUR dist hedged”)
    - 0.2% p.a. (unit class “C USD dist hedged”)
    - 0.2% p.a. (unit class “Y CHF dist”)
    - 0.2% p.a. (unit class “Y EUR dist hedged”)
    - 0.2% p.a. (unit class “Y USD dist hedged”)  
of the Fund’s net assets, to be charged to the fund assets on a pro rata basis every time the net asset value is calculated, and paid out at the end of each quarter (Custodian Bank fee).

## Part II Fund Contract

- The rate of the Custodian Bank fee actually charged is stated in the annual and semi-annual reports.
3. For the distribution of annual income to the Investors, the Custodian Bank will charge the Investment Fund a commission of not more than 0.5% of the gross amount of the distribution. The rate actually charged is stated in the annual report.
  4. Furthermore, the Fund Management Company and the Custodian Bank are entitled to reimbursement of the following costs incurred in executing the Fund Contract:
    - a) Costs for the purchase and sale of investments, namely standard brokerage fees, commissions, taxes and duties, as well as costs for the review and maintenance of quality standards for physical investments;
    - b) The supervisory authority's fees in relation to the establishment, amendment, liquidation or merger of the Fund;
    - c) The supervisory authority's annual fees;
    - d) The audit firm's fees for annual auditing as well as certification in the case of establishment, amendments, liquidation or mergers of the Fund;
    - e) Fees for legal and tax advisors in connection with the establishment, amendment, liquidation or merger of the Fund, as well as generally upholding the interests of the Fund and its Investors;
    - f) The cost of publishing the net asset value of the Fund, together with all the costs of providing notices to Investors, including translation costs, provided such costs cannot be ascribed to any failure on the part of the Fund Management Company;
    - g) The cost of printing legal documents, as well as the Fund's annual and semi-annual reports;
    - h) The cost of any registration of the Fund with a foreign supervisory authority, and specifically the commissions levied by the foreign supervisory authority, translation costs, and remuneration for the representative or paying agent abroad;
    - i) Costs relating to the exercising of voting rights or creditors' rights by the Fund, including the cost of fees paid to external advisors;
    - j) Costs and fees relating to intellectual property registered in the name of the Fund or with rights of use for the Fund;
    - k) all costs incurred though any extraordinary steps taken to safeguard the interests of Investors by the Fund Management Company, asset manager of collective investment schemes or Custodian Bank
  5. The costs according to point 4(a) are directly added to the acquisition value or deducted from the saleable value.
  6. In accordance with the provisions in the Prospectus, the Fund Management Company and its agents may pay retrocessions to cover the distribution of fund units and rebates to reduce the fees and costs charged to the Fund that are attributable to the Investor.
  7. The management fee of the target funds invested in must not exceed 2%, taking into account any retrocessions and rebates. Details of the maximum management fee for target funds invested in, taking into account any retrocessions and rebates, must be provided in the annual report.
  8. If the Fund Management Company acquires units in other collective investment schemes that are managed directly or indirectly by the Fund Management Company itself or a company to which it is related by virtue of common management or control or by a significant direct or indirect interest ("related target funds"), it may not charge any issuing or redemption commissions of the related target funds to the Fund.
- ## VI. Financial statements and audit
- ### § 20 Financial statements
1. The Fund's accounting currency is the Swiss franc (CHF).
  2. The financial year runs from 1 September to 31 August.
  3. The Fund Management Company publishes an audited annual report for the Investment Fund within four months of the end of the financial year.
  4. The Fund Management Company publishes a semi-annual report within two months of the end of the first half of the financial year.
  5. The Investor's right to obtain information under § 5.4 is reserved.

**§ 21 Audit**

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

**VII. Appropriation of net income****§ 22**

1. The net income of the Investment Fund is distributed annually per unit class to the Investors in the Fund's accounting currency within four months of the close of the financial year.

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

Up to 30% of the net income of a unit class may be carried forward to the new account. A distribution may be waived and the entire net income may be carried forward to the new account if

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

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

**VIII. Publication of official notices by the Investment Fund****§ 23**

1. The medium of publication of the Investment Fund is the print medium or electronic medium specified in the Prospectus. Notification of any change in the medium of publication must be published in the medium of publication.

2. The following information must, in particular, be published in the medium of publication: summaries of material amendments to the Fund Contract, indicating the offices from which the amended

wording may be obtained free of charge; any change of Fund Management Company and/or Custodian Bank; the creation, dissolution or merger of unit classes; and the liquidation of the Investment Fund. Amendments that are required by law that do not affect the rights of Investors or are of an exclusively formal nature may be exempted from the duty to publish subject to the approval of the supervisory authority.

3. Each time units are issued or redeemed, the Fund Management Company will publish the issue and the redemption prices or the net asset value together with a note stating "excluding commissions" for all unit classes in the Swiss daily newspaper(s) and/or electronic platform(s) recognised by the supervisory authority. Prices must be published at least twice each month. The weeks and weekdays on which publications are made must be specified in the Prospectus.

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

**IX. Restructuring and dissolution****§ 24 Mergers**

1. Subject to the consent of the Custodian Bank, the Fund Management Company may merge funds by transferring the assets and liabilities as at the time of the merger of the fund(s) being acquired to the acquiring fund. The Investors of the fund(s) being acquired will receive the corresponding number of units in the acquiring fund. The fund(s) being acquired is/are terminated without liquidation when the merger takes place, and the Fund Contract of the acquiring fund will also apply for the fund(s) being acquired.

2. Investment funds may be merged only if:

- a) provision for this is made in the relevant fund contracts;
- b) they are managed by the same fund management company;
- c) the relevant fund contracts essentially correspond in terms of the following provisions:

## Part II Fund Contract

- the investment policy, investment techniques, risk diversification, and the risks associated with the investment,
  - the appropriation of net income and capital gains from the sale of assets and rights,
  - the type, amount and calculation of all fees, issue and redemption commissions, and the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the fund assets or to the Investors,
  - the redemption conditions,
  - the duration of the contract and the conditions of dissolution;
- d) the assets of the funds concerned are valued, the exchange ratio is calculated, and the assets and liabilities are acquired on the same day;
- e) no costs arise as a result for either the Investment Fund or the Investors.
- The provisions of § 19 4(b), (d) and (e) are unaffected.
3. If the merger is likely to take more than one day, the supervisory authority may approve limited deferment of repayment in respect of the units of the investment funds involved.
4. At least one month before the planned publication, the Fund Management Company must submit the proposed changes to the Fund Contract, and the proposed merger, as well as the merger schedule to the supervisory authority for review. The merger schedule must contain information on the reasons for the merger, the investment policies of the funds involved and any differences between the acquiring fund and the fund(s) being acquired, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the funds, as well as a statement from the audit firm responsible in accordance with the legislation on collective investment schemes.
5. The Fund Management Company must publish a notice of the proposed changes to the Fund Contract pursuant to § 23.2 and the proposed merger and its timing, as well as the merger schedule, at least two months before the planned date of merger in the medium/media of publication of the funds in question. In this notice, the Fund Management Company must inform the Investors that they may lodge objections to the proposed changes to the Fund

Contract with the supervisory authority within 30 days, or request redemption of their units in cash.

6. The audit firm must check directly that the merger is being carried out correctly, and must submit a report containing its comments in this regard to the Fund Management Company and the supervisory authority.
7. The Fund Management Company must inform the supervisory authority of the conclusion of the merger, and publish notification of the completion of the merger, confirmation from the audit firm of the proper execution of the merger, and the exchange ratio, without delay in the medium/media of publication of the funds involved.
8. The Fund Management Company must make reference to the merger in the next annual report of the acquiring fund, and in the semi-annual report if published prior to the annual report. If the merger does not take place on the last day of the usual financial year, an audited closing statement must be produced for the fund(s) being acquired.

### § 25 Duration of the Investment Fund and dissolution

1. The investment fund is established for an indefinite period.
2. The Fund Management Company or the Custodian Bank may dissolve the Fund by terminating the Fund Contract without notice.
3. The Investment Fund may be dissolved by order of the supervisory authority, in particular, if it does not have net assets of at least 5 million Swiss francs (or the equivalent).
4. The Fund Management Company must inform the supervisory authority of the dissolution immediately and must publish notification in the medium of publication.
5. Once the Fund Contract has been terminated, the Fund Management Company may liquidate the Fund forthwith. If the supervisory authority has ordered the dissolution of the Investment Fund, it must be liquidated forthwith. The Custodian Bank is responsible for the payment of liquidation proceeds to the Investors. If the liquidation proceedings are protracted, payment may be made in instalments. The Fund Management Company must obtain authorisation from the supervisory authority prior to the final payment.

**X. Amendments to the fund contract**

**§ 26**

If any amendments are to be made to the present Fund Contract, or if the merger of unit classes or a change of Fund Management Company or of Custodian Bank is planned, the Investors may lodge objections with the supervisory authority within 30 days after the corresponding last publication. In the publication, the Fund Management Company must inform the Investors about which amendments to the Fund Contract are covered by FINMA's verification and check for compliance with the law. In the event of a change to the Fund Contract (including the merger of unit classes) the Investors may also demand the redemption of their units in cash subject to the contractual period of notice. Exceptions in this regard are cases pursuant to § 23.2 that have been exempted from the duty to publish with the approval of the supervisory authority.

**XI. Applicable law and place of jurisdiction**

**§ 27**

1. The Investment Fund is subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November

2006 and the Ordinance of the Swiss Financial Market Supervisory Authority FINMA on Collective Investment Schemes of 27 August 2014.

2. The place of jurisdiction is the registered office of the Fund Management Company.
3. The German version is binding in all matters of interpretation relating to the present Fund Contract.
4. The present Fund Contract takes effect on 22 July 2022.
5. The present Fund Contract replaces the Fund Contract dated 22 October 2020.
6. When approving the Fund Contract, FINMA verifies only the provisions pursuant to Art. 35a para. 1 letters a) – g) CISO and ensures their compliance with the law.

Basel, 22 July 2022

The Fund Management Company:

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

The Custodian Bank:

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

