

# **SYZ AM (CH) 1**

Contractual umbrella fund under Swiss law  
(Category "**Securities funds**")

## **Subfunds**

**EURO FIXED INCOME  
USD FIXED INCOME  
NATURAL RESOURCES EQUITY  
MONEY MARKET FUND USD  
MONEY MARKET FUND USD UHNWI**

Prospectus and investment fund contract  
February 2016

The Fund Administrator of SYZ AM (CH) 1 has not applied for approval to distribute units of this contractual investment fund in any country other than Switzerland.

Fund management company:  
VONTOBEL FONDS SERVICES AG  
Gotthardstrasse 43  
8022 Zurich

Custodian bank:  
RBC INVESTOR SERVICES BANK S.A., Esch-  
sur-Alzette, Zurich branch  
Badenerstrasse 567  
8048 Zurich

## CONTENTS

### PART 1: PROSPECTUS

#### 1. **INFORMATION ON THE UMBRELLA FUND AND THE SUBFUNDS**

- 1.1 General information on the umbrella fund and the subfunds
- 1.2 Investment objective, investment policy and investment restrictions of the subfunds, as well as the use of derivatives by the subfunds
- 1.3 Profile of the typical investor
- 1.4 Tax regulations relevant to the subfunds

#### 2. **INFORMATION ON THE FUND MANAGEMENT COMPANY**

- 2.1 General information on the fund management company
- 2.2 Delegation of investment decisions
- 2.3 Delegation of other partial tasks
- 2.4 Exercise of membership and creditors' rights

#### 3. **INFORMATION ON THE CUSTODIAN BANK**

#### 4. **INFORMATION ON THIRD PARTIES**

- 4.1 Paying agent
- 4.2 Distributor
- 4.3 Auditor

#### 5. **FURTHER INFORMATION**

- 5.1 Key data
- 5.2 Terms for the issue and redemption of subfund units
- 5.3 Fees and incidental costs
- 5.4 Publication of official notices by the umbrella fund or subfunds
- 5.5 Sales restrictions
- 5.6 Detailed regulations

### PART 2: INVESTMENT FUND CONTRACT

#### 1. **NAME; COMPANY AND HEAD OFFICE OF THE FUND MANAGEMENT COMPANY AND CUSTODIAN BANK**

#### 2. **RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE CONTRACT**

- 2.1 Investment fund contract
- 2.2 Fund management company
- 2.3 Custodian bank
- 2.4 Investors
- 2.5 Units and unit classes

#### 3. **INVESTMENT POLICY GUIDELINES**

- 3.1 Compliance with investment regulations
- 3.2 Investment policy
- 3.3 Liquid assets
- 3.4 Investment techniques and instruments
  - Securities lending*
  - Securities repurchase agreements*
  - Financial derivatives
  - Lending and granting of loans
  - Encumbrance of the subfunds' assets
  - Investment restrictions

#### 4. **CALCULATION OF THE NET ASSET VALUE AND ISSUE AND REDEMPTION OF UNITS**

- Calculation of net asset value*
- Issue and redemption of units*

#### 5. **FEES AND INCIDENTAL COSTS**

#### 6. **FINANCIAL STATEMENTS AND AUDITS**

#### 7. **APPROPRIATION OF NET INCOME**

#### 8. **PUBLICATION OF OFFICIAL NOTICES BY THE UMBRELLA FUND AND/OR SUBFUNDS**

#### 9. **RESTRUCTURING AND DISSOLUTION**

#### 10. **AMENDMENTS TO THE INVESTMENT FUND CONTRACT**

#### 11. **APPLICABLE LAW AND PLACE OF JURISDICTION**

## Part 1: PROSPECTUS

This prospectus with integrated investment fund contract, the key investor information documents 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 the subfunds.

Only the information contained in the prospectus or in the investment fund contract will be deemed to be valid.

### 1. Information on the umbrella fund and the subfunds

#### 1.1. General information on the umbrella fund and the subfunds

SYZ AM (CH) 1 is an umbrella fund in contractual form under Swiss law of the type "Securities funds" pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA) of 23 June 2006. It is divided into the following subfunds:

EURO FIXED INCOME  
USD FIXED INCOME  
NATURAL RESOURCES EQUITY  
MONEY MARKET FUND USD  
MONEY MARKET FUND USD UHNWI

The investment fund contract was drawn up by VONTOBEL FONDS SERVICES AG, Zurich, as fund management company and submitted to FINMA (formerly, Swiss Federal Banking Commission) with the agreement of RBC Investor Services Bank S.A., Zurich branch, as custodian bank. The investment fund contract was first approved by the Swiss Financial Market Supervisory Authority (FINMA) on 11 August 2003.

The subfunds are based upon a collective investment agreement (fund contract), under which the fund management company undertakes to provide the investor with a stake in the corresponding subfund in proportion to the units acquired by said investor, and to manage this subfund 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 law and by the fund contract.

The investor's entitlement is in respect of the assets and income of only that subfund in which they participate. In the case of liabilities accruing to an individual subfund, only said subfund is liable.

In accordance with the fund contract, the fund management company is entitled to establish, liquidate or merge other unit classes for each subfund at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

There are at present the following unit classes for each subfund:

- Class A (distribution)

The 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 is rendered, it cannot be excluded, therefore, that a unit class is held liable for the liabilities of another unit class.

#### 1.2 Investment objective, investment policy and investment restrictions of the subfunds, as well as the use of derivatives by the subfunds

Detailed information of the subfunds' investment policies and restrictions, as well as the authorized investment techniques and instruments (in particular, financial derivatives and their scope) are contained in the fund contract (cf. Part II, Articles 7-15).

### 1.2.3 Investment objectives and investment policy of the subfunds:

#### Investment objectives:

*For the NATURAL RESOURCES EQUITY subfund:*

The investment objective of this subfund is principally long-term capital growth versus the market. However, within the selection of investments, the fund management company ensures a prudent risk diversification.

*For the EURO FIXED INCOME and USD FIXED INCOME subfunds:*

The investment objective of these subfunds is principally medium-term capital growth. However, within the selection of investments, the fund management company ensures a prudent risk diversification.

*For the MONEY MARKET FUND USD and MONEY MARKET FUND USD UHNWI subfunds:*

The investment objective of these subfunds is principally to safeguard capital and to deliver a return in line with money market interest rates for the relevant reference currencies.

The significant risks associated with the subfunds are that the value of the investments may fall as well as rise. The investor may, at redemption, receive less than the original amount invested

#### Investment policy:

*For the NATURAL RESOURCES EQUITY subfund:*

The subfund invests at least two thirds of the subfund's assets in equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) of stock exchange-listed companies carrying out the bulk of their business activities without geographical restriction in the energy, natural resources and materials sectors.

The reference currency is not necessarily the same as the currency of the underlying investments.

*For the EURO FIXED INCOME subfund:*

The subfund invests at least two thirds of the subfund's assets in bonds (including convertible bonds, convertible notes and bonds with warrants), notes, other fixed or variable-interest debt instruments and rights denominated in euros issued by private and public borrowers with a minimum rating of A+ given by Standard & Poors, A1 given by Moody's or A+ given by Fitch. The total duration (including cash) must remain in the range of +/-2 years based on the benchmark Merrill Lynch 1-10 Years AAA-AA).

The reference currency is not necessarily the same as the currency of the underlying investments.

*For the USD FIXED INCOME subfund:*

The subfund invests at least two thirds of the subfund's assets in bonds (including convertible bonds, convertible notes and bonds with warrants), notes, other fixed or variable-interest debt instruments and rights denominated in US dollars issued by private and public borrowers with a minimum rating of A+ given by Standard & Poors, A1 given by Moody's or A+ given by Fitch. The duration (including cash) must remain in the range of +/-2 years based on the benchmark Bloomberg/EFFAS Bond Indices US Govt 1-10 Years Total Return (US10TR).

The reference currency is not necessarily the same as the currency of the underlying investments.

*For the MONEY MARKET FUND USD and MONEY MARKET FUND USD UHNWI subfunds (money market funds)*

These subfunds invest primarily in money market instruments and bank sight and time deposits denominated in US dollars or in other convertible currencies that are fully hedged against the US dollar, and are issued by governments, public-law entities or private-sector borrowers, and in other instruments as authorized in the fund contract. Investments in securities are restricted to those having a residual maturity of less than or equal to two years to final term, provided that the residual maturity until the next date on which the interest rate is set is shorter than or equal to 397 days (floating-rate securities must be adjusted to a money market rate or index). Moreover, the fund portfolio must have a weighted average maturity (WAM) of six months at most and a weighted average life (WAL) of 12 months at most. Money market instruments must have one of the two highest short-term credit ratings awarded by each of the recognized credit-rating agencies providing a rating for the relevant instrument. The benchmark index is the USD 3-month LIBID (London Interbank Bid Rate).

The reference currency is not necessarily the same as the currency of the underlying investments.

### 1.2.2 Investment restrictions for the subfunds:

The fund management company may, including derivatives, invest up to a maximum of 10% of the subfunds' assets in securities or money market instruments from a single issuer. The total aggregated value of securities and money market instruments of issuers in which over 5% of a subfund's total assets have been invested may not exceed 40% of the relevant subfund's total assets.

The fund management company may invest up to 35% of the subfunds' assets in securities or money market instruments from a single issuer if these are issued or guaranteed by those entities described in Article 15.12, of the fund contract. Provided that the conditions stipulated in Article 15.13, of the fund contract are fulfilled, the fund management company may invest up to 100% of each subfund's assets in securities or money market instruments from the same issuer.

Moreover, the fund management company may invest up to a maximum of 20% of a subfund's assets in sight or time deposits from a single bank.

### 1.2.3 Collateral strategy

a) The following forms of collateral are permitted:

- Cash collateral in the reference currency of the relevant subfund, and also in the following foreign currencies: euro (EUR), US dollar (USD), Swiss franc (CHF) and pound sterling (GBP);
- Government bonds that are issued by the following countries in their role as issuers: Germany, France, United Kingdom, United States, Canada, Netherlands, Sweden and Switzerland;
- The issuer of the collateral must have a high credit rating (at least AA- given by Standard and Poors or Aa3 given by Moody's, with the lower of the two ratings being decisive);
- The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day.

b) Cover is required in the following cases:

- Collateral may be accepted up to 30% of the fund's assets;
- The value of the collateral must at all times be equal to at least 100% of the market value of the securities lent;
- The collateral must be appropriately diversified, it being specified that, in the case of government bonds, collateral may also be accepted from a single country if the collateral is divided among six different issuers and the collateral of a single issuer held does not correspond to more than 30% of the net asset value of the relevant subfund;

- Cash collateral may not be reinvested and the collateral may not, for its part, be lent, pledged, sold, reinvested or used as cover for financial derivative instruments.
- c) The safety margins are fixed as follows:
- Cash collateral does not require any safety margins; however, exchange rate fluctuations relating to cash collateral in a reference currency other than that of the relevant subfund must be balanced out;
  - For government bonds, the safety margin is determined on the basis of the residual term. The residual term generally does not exceed 10 years; under no circumstances may it exceed 30 years. The table below shows the haircut ranges applied:

<i>Collateral</i>	<i>Range</i>
<i>Cash</i>	<i>0%</i>
<i>Government bonds with a residual term &lt; 1 year</i>	<i>0% - 3%</i>
<i>Government bonds with a residual term 1 - 5 years</i>	<i>2% - 5%</i>
<i>Government bonds with a residual term 5 - 10 years</i>	<i>2% - 7%</i>
<i>Government bonds with a residual term &gt; 10 years</i>	<i>5% - 13%</i>

### 1.2.4 Use of derivatives

The fund management company may use derivatives. It shall ensure that, even in exceptional market conditions, the financial effect of using derivatives does not result in a deviation from the investment objectives, and that it does not change the investment character of the subfunds. Commitment Approach I is applied to the assessment of risk. Derivatives form an integral part of the investment strategy and are not used solely for the purpose of hedging investment positions.

Derivatives form an integral part of the investment strategy and are not used solely for the purpose of hedging investment positions.

Only basic forms of derivatives may be used, i.e. call or put options, credit default swaps (CDSs), swaps, and futures and forward transactions, as described in more detail in the fund contract (cf. Article 12), provided that the underlying assets are permitted as investments for the subfunds under the terms of the fund contract. Transactions may be undertaken with derivatives traded on a stock exchange or a regulated market open to the public, or in over-the-counter (OTC) trading. Derivative transactions involve a degree of counterparty risk over and above market risk, i.e. there is a risk that the other party to the contract may not be able to honour their obligations and might thus cause a financial loss to be incurred.

With a CDS, the default risk of a credit position is transferred from the risk seller to the risk buyer. The latter receives 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 heightens the risk associated with the CDS. The investment fund may act as both risk buyer and risk seller.

Recourse to such derivative instruments must not leverage the fund's assets, even in the event of exceptional circumstances on the markets, nor may derivative operations have the equivalent effect to short-selling.

## 1.3 Profile of the typical investor

The EURO FIXED INCOME, USD FIXED INCOME, MONEY MARKET FUND USD subfunds are suitable for investors with a medium-term investment horizon, while the NATURAL RESOURCES EQUITY subfund is suitable for investors with a long-term investment horizon. The investors acknowledge that an investment in these funds may be subject to large fluctuations and a prolonged period of decline affecting the net asset value of the units of the subfunds. The principal risks of investing in stocks and bonds are known to the investors.

#### 1.4 Tax regulations relevant to the subfunds

The umbrella fund and the subfunds have no legal personality in Switzerland. They are not subject to tax on income or capital.

The Swiss federal withholding tax deducted from the subfunds' domestic income can be reclaimed in full for the corresponding subfund by their fund management company.

Income and capital gains realized abroad may be subject to the relevant withholding tax deductions imposed by the country of investment. These taxes will, as far as possible, be reclaimed by the fund management company on behalf of investors residing in Switzerland under the terms of double-taxation treaties or other such agreements between Switzerland and the country of investment.

Distributions of income made by the subfunds to investors domiciled in Switzerland 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. This is a distribution fund.

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

Distributions of income to investors domiciled outside Switzerland are made free of Swiss withholding tax, provided that at least 80% of the income of the corresponding subfund stems from foreign sources, and subject to presentation of confirmation from a bank stating that the units in question are held at the bank in the custody account of an investor domiciled outside Switzerland, and that the distributions of income are credited to this investor's account (declaration of domicile or affidavit). No guarantee can be given that at least 80% of a subfund's income will stem from foreign sources.

If withholding tax is charged to an investor domiciled outside Switzerland owing to a failure to present a declaration of domicile, under Swiss law the investor may submit a refund application directly to the Swiss Federal Tax Administration in Berne. No guarantee of success can be given for such submission.

The income distributed and/or the interest realized on the sale or redemption of units is subject in Switzerland to EU savings tax for the EURO FIXED INCOME, USD FIXED INCOME, MONEY MARKET FUND USD and MONEY MARKET FUND USD UHNWI subfunds; the NATURAL RESOURCES EQUITY subfund is not subject in Switzerland to EU savings tax.

Based on the provisions of the directive issued by the Council of the European Union in respect of the taxation of interest income, and under the terms of the agreement reached between Switzerland and the EU as part of bilateral negotiations, Switzerland is obliged to retain tax on certain interest payments made by investment funds and subfunds, in the case of both distributions of income and the sale or redemption of units of funds and subfunds, in respect of natural persons whose tax domicile is in an EU member state. Since 2011, this tax is retained at 35%. Subject to explicit instructions by the recipient of the interest payment, the recipient may make a voluntary disclosure to the fiscal authorities in their tax domicile instead of being subject to this tax retention.

Based on the provisions of the respective bilateral agreements between Switzerland and the United Kingdom of Great Britain and Northern Ireland as well as the Republic of Austria on cooperation in the area of taxation, paying agents in Switzerland are required to levy a final withholding tax

on income and capital gains of investment funds accruing directly or indirectly to relevant persons resident in the United Kingdom or Austria, both in the form of distributions and/or accumulations of income and on the sale or redemption of fund units. The final withholding tax is made comprised as follows:

This investment fund is not transparent for the purposes of final withholding tax in contracting state(s), i.e. the levying of final withholding tax is not based on the specific taxation factors of the investment fund (fund reporting), but instead uses an alternative assessment basis.

Subject to explicit instructions from the relevant person to the paying agent, a voluntary report may be made to the tax authorities of the tax domicile in lieu of levying the final withholding tax.

Tax retention and voluntary disclosure (reporting) under the Agreement on the Taxation of Savings are not affected by the final withholding tax. If the tax retention is charged, this is deemed to settle the liability. Any higher rates under the agreements will be additionally levied on the same basis of assessment.

The umbrella fund and the subfunds are registered with the US tax authorities as Registered Deemed-Compliant FFI as defined in Sections 1471 – 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related ordinances, FATCA).

**This tax information is based on the current legal situation and practice. It is subject to changes in legislation, the decisions of the courts and the decrees and practices of the tax authorities.**

**Taxation and other tax implications for investors who hold, buy or sell units in funds and subfunds are defined by the tax laws and regulations in the investor's country of domicile.**

## 2. Information on the fund management company

### 2.1 General information on the fund management company

VONTOBEL FONDS SERVICES AG is responsible for the management of the fund. The fund management company has been active in the fund business since 1990. It is headquartered at Gotthardstrasse 43, 8022 Zurich. The homepage of the Vontobel Group is: [www.vontobel.ch](http://www.vontobel.ch).

As of 31 December 2013 the subscribed share capital of the fund management company amounted to CHF 4 million. The share capital is divided into registered shares, and 100% has been paid up.

The VONTOBEL FONDS SERVICES AG share capital is held in its entirety by VONTOBEL HOLDING AG, Zurich. As of 31 December 2014 the fund management company managed a total of 13 funds (33 subfunds) in Switzerland, with assets under management totalling CHF 8,422 million.

The VONTOBEL FONDS SERVICES AG Board of Directors is composed as follows:

- Mr Dominic **Gaillard**: Chairman
- Mr Christoph **Ledergerber**: Deputy Chairman
- Dr Martin **Taufer**: Member

The VONTOBEL FONDS SERVICES AG management team is composed as follows:

- Mr Diego **Gadient**: Executive Director, CEO
- Mr Steven **Wicki**: Executive Director
- Mr Marcus **Eberlein**: Director

## 2.2 Delegation of investment decisions

Investment decisions in respect of the subfunds have been delegated to SYZ Asset Management (Suisse) SA, Geneva. SYZ Asset Management (Suisse) SA has many years of experience in managing wealth for international private clients, in providing investment advice and in a variety of other banking services..

Precise details of how its remit is to be fulfilled are laid down in an asset management agreement between VONTOBEL FONDS SERVICES AG, Zurich, and SYZ Asset Management (Suisse) SA , Geneva.

## 2.3 Delegation of other partial tasks

The fund management company has delegated other tasks such as the calculation of the net asset value, the definition of the issue and redemption price, the preparation of accounts, the operation of IT systems in connection with these other tasks as well as other administrative and logistical tasks to a specialized fund administration company, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch. The RBC Group, to which RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch, belongs, can draw on its many years of experience in administering investment funds in the various jurisdictions in which many investment funds have their domiciles. In addition, the fund management company has delegated compliance as well as surveillance and monitoring of the investment rules and restrictions to Bank Vontobel AG, Zurich. Details governing implementation of this delegation mandate are regulated in a contract agreed between the fund management company and the custodian bank, respectively, and Bank Vontobel AG.

Execution of the mandate is regulated by a contract concluded between the fund management company VONTOBEL FONDS SERVICES AG and RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch.

## 2.4 Exercise of membership and creditors' rights

The fund management company exercises the membership and creditors' rights associated with the investments of the subfunds it manages independently and exclusively in the interests of the investors. The fund management company will, upon request, provide investors with information on the exercise 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.

In the case of all other events that might have a lasting impact on the interests of the investors, such as, in particular, the exercise of membership and creditors' rights held by the fund management company as 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 portfolio manager, the company concerned or consultants specializing in membership rights, or from third parties or published in the media.

The fund management company is free to waive the exercise of membership and creditors' rights.

## 3. Information on the custodian bank

RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch, acts as the custodian bank. RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch, is authorised by the Swiss Financial Market Supervisory Authority FINMA as a subsidiary of a foreign bank and a foreign securities broker and as a custodian bank for collective investment undertakings.

RBC Investor Services Bank S.A. was founded in 1994 under the name of First European Transfer Agent and is entered in the Luxembourg Trade and Companies Register (RCS) under number B-47192. It holds a banking licence under the Luxembourg law of 5 April 1993 on the financial sector. The company specialises in the provision of custody, fund management and other related services.

RBC Investor Services Bank S.A. is a subsidiary of Royal Bank Holding Inc., Toronto, Canada, which is controlled by the Royal Bank of Canada, Toronto, Canada.

The custodian bank may delegate the safekeeping of the fund's assets to third-party custodians and collective securities depositaries in Switzerland or abroad. In such cases, it is liable for applying due diligence when choosing and instructing the third parties, as well as for monitoring their constant compliance with the selection criteria.

The use of third-party custodians and collective securities depositaries 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 custodian or collective securities depositary is not subject to surveillance, it is likely that it does not meet the organizational requirements applicable to Swiss banks.

The custodian bank is liable for damages caused by the mandate to the extent that it is not able to prove that it exercised the requisite due diligence with regard to selection, instruction and monitoring. The prospectus contains details on the risks inherent in delegating safekeeping to third-party custodians and collective securities depositaries.

As stipulated in the previous paragraph, the safekeeping of financial instruments may be delegated solely to a third-party custodian or collective securities depositary subject to surveillance. The only exception to this rule is if mandatory safekeeping in a place or delegation to a third-party custodian or collective securities depositary that is subject to surveillance is not possible, namely due to legally binding provisions or to the terms of the investment product.

The custodian bank is registered with the US tax authorities as Participating Foreign Financial Institution (PFFI) as defined in Sections 1471 – 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related ordinances, FATCA).

## 4. Information on third parties

### 4.1 Paying agent

The paying agent is RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch, Badenerstrasse 567, 8048 Zurich.

### 4.2 Distributor

The following institutions have been appointed as distributors for the subfunds:

– Banque SYZ Suisse SA, 6 rue François-Diday, 1204 Geneva

### 4.3 Auditor

Ernst & Young AG in Zurich has been appointed as auditor.

## 5. Further information

### 5.1 Key data

Value number:

Subfund	Class	Value	ISIN code
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		number	
EURO FIXED INCOME	A	1665783	CH0016657832
USD FIXED INCOME	A	1665784	CH0016657840
NATURAL RESOURCES EQUITY	A	2317063	CH0023170639
MONEY MARKET FUND USD	A	10325475	CH0103254758
MONEY MARKET FUND USD UHNWI	A	20046709	CH0200467097

Financial year 1 November - 31 October

Unit currency EURO FIXED INCOME: EUR  
 USD FIXED INCOME: USD  
 NATURAL RESOURCES EQUITY: USD  
 MONEY MARKET FUND USD: USD  
 MONEY MARKET FUND USD UHNWI: USD

Initial unit value EURO FIXED INCOME: EUR 100.00  
 USD FIXED INCOME: USD 100.00  
 NATURAL RESOURCES EQUITY: USD 100.00  
 MONEY MARKET FUND USD: USD 100.00  
 MONEY MARKET FUND USD UHNWI: USD 96.80

The initial price of a unit of the MONEY MARKET FUND USD UHNWI is the same price as is available for the MONEY MARKET FUND USD on the valuation day of the launch of the MONEY MARKET FUND USD UHNWI.

Smallest initial purchase MONEY MARKET FUND USD UHNWI: USD 5,000,000

All other subfunds: One unit

Units The units are recorded; no certificated are issued for the units.

Appropriation of income Income is distributed no later than four months following each financial year (yearly distribution).

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

Subfund units will be issued and redeemed on every bank working day in Geneva and Zurich (Monday to Friday). No issues or redemptions will take place on Swiss, Zurich and Geneva public holidays (Easter, Whitsun, Christmas, New Year, 1 May, 1 August, Jeûne Genevois, etc.), or on days when the stock exchanges and markets in the main investment countries of a subfund are closed, or under the exceptional circumstances defined under Article 17.4 of the fund contract.

Subscription and redemption orders received by the custodian bank by 4 p.m. (Geneva time) at the latest on a given bank working day in Geneva or Zurich (order day) will be settled on the next bank working day in Geneva and in Zurich (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.

The net asset value of a unit of a subfund class is determined by the market value of that subfund's assets relating to the class in question, minus all the subfund's liabilities related to said class, divided by the number of units of that subfund class in circulation, rounded up/down to the closest centime or cent (as applicable).

The issue price for units of a subfund class corresponds to the net asset value of the class calculated on the valuation day, plus the issuing commission. The amount of the issuing commission and other fees is specified in Article 5.3 below.

The redemption price for units of a subfund class corresponds to the net asset value of the class calculated on the valuation day. No redemption commission or other commissions are charged.

Incidental costs attached to the purchase and sale of investments (standard brokerage charges, fees, taxes, etc.) incurred by a subfund in connection with the investment of the amount paid in or with the sale of that portion of investments corresponding to the redeemed unit(s) will be charged to the assets of the corresponding subfund.

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

If unit certificates are issued, they must be returned when the units are redeemed.

## 5.3 Fees and incidental costs

*For all subfunds:*

Fees and incidental costs charged to the investor (excerpt from Article 18 of the fund contract)

Issuing commission accruing to the fund management company, custodian bank and/or distributors in Switzerland and abroad

Class "A": maximum of 2%

Neither redemption commissions nor other commissions are charged in favour of the fund management company, custodian bank and/or distributors in Switzerland and abroad.

Incidental costs accruing to the subfunds' assets in connection with the investment of the amount paid in or with the sale of investments (Article 17.2 of the fund contract)

Surcharge on net asset value: maximum of 0.25%

Deduction from net asset value: maximum of 0.25%

Fees and incidental costs charged to the subfunds' assets (excerpt from Article 19 of the fund contract)

Management fee charged by the fund management company:

For the EURO FIXED INCOME and USD FIXED INCOME subfunds:  
 Class "A": maximum of 1.00%

For the NATURAL RESOURCES EQUITY subfund:  
 Class "A": maximum of 1.15%

For the MONEY MARKET FUND USD and MONEY MARKET FUND USD UHNWI subfunds:  
 Class "A": maximum of 0.65%

This covers the administration, asset management and distribution of the subfunds. In addition, third parties may be paid on top of the management fee for the following services:

- fund administration (calculation of net asset value; definition of issue and redemption prices; preparation of accounts);
- operation of IT systems in connection with the delegation of these other tasks as well as other administrative and logistical tasks;
- supervision and compliance function to ensure adherence to investment directives and limits in line with the laws and requirements relating to collective investment schemes;

- support with compiling annual and semi-annual reports, KIIDS and other publications targeted at investors.

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

Custodian bank fee charged by the custodian bank:

For the EURO FIXED INCOME and USD FIXED INCOME subfunds:  
Class "A": maximum of 0.25%

For the NATURAL RESOURCES EQUITY subfund:  
Class "A": maximum of 0.35%

For the MONEY MARKET FUND USD and MONEY MARKET FUND USD UHNWI subfunds:  
Class "A": maximum of 0.10%

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

For the distribution of annual income to investors, the custodian bank does not charge the investment fund a commission.

Furthermore, the fees and incidental costs listed under Article 19 of the fund contract may also be charged to the subfunds.

The fund management company and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in Switzerland or from Switzerland. This fee is intended to cover the remuneration of the following services:

- activities geared toward promoting the distribution of fund units, such as organising roadshows and taking part in conferences and trade fairs;
- production of advertising material, training sales staff, etc.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions shall ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions shall disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

The fund management company and its agents may pay discounts directly to investors, on request, in the case of distribution in Switzerland or from Switzerland. The purpose of the discounts is to reduce the fees or costs payable by the investors concerned. The discounts are authorized subject to the following:

- they are paid from the fees charged by the fund management company and thus are not deducted in addition from the fund's assets;
- they are granted on the basis of objective criteria;
- they are granted subject to the same time conditions and to the same extent to all investors that meet the objective criteria and ask for a discount.

The objective criteria governing the granting of discounts by the fund management company are as follows:

- the volume subscribed by an investor or the total volume held by the investor in the collective investment scheme, or, if applicable, in the sponsor's product range;
- the extent of the fees generated by the investor;
- the investor's financial behaviour (e.g. investment term envisaged);

- the investor's willingness to lend their support during the launch phase for a collective investment scheme.

At the request of the investor, the fund management company shall disclose the amounts of such rebates free of charge.

#### Total expense ratio

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

(without transaction fees on securities)	
EURO FIXED INCOME	
- 2013	1.07%
- 2014	1.06%
USD FIXED INCOME	
- 2013	1.01%
- 2014	1.02%
NATURAL RESOURCES EQUITY	
- 2013	1.57%
- 2014	1.55%
MONEY MARKET FUND USD	
- 2013	0.30%
- 2014	0.30%
MONEY MARKET FUND USD UHNWI	
- 2013	0.34%
- 2014	0.30%

Performance data do not take into account fees or costs accrued on the issue or redemption of units.

#### Investments in related collective investment schemes

In the case of investments 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 or control or by way of a substantial direct or indirect stake, no issuing or redemption commissions are charged.

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

The fund management company has not concluded any fee splitting agreements.

The fund management company has not concluded any soft commission agreements.

### **5.4 Publication of official notices by the umbrella fund or subfunds**

Further information on the umbrella fund and the subfunds may be found in the latest annual or semi-annual report.

The prospectus with integrated fund contract, the key investor information documents and the latest annual or semi-annual reports may be requested free of charge from the fund management company, the custodian bank and all distributors.

In the event of an amendment to the fund contract, a change in the fund management company or the custodian bank, as well as the dissolution of the subfunds, a notice will be published by the fund management company on Swiss Fund Data homepage at [www.swissfunddata.ch](http://www.swissfunddata.ch).

Prices for all unit classes for each subfund will be published on each day that units are issued or redeemed, but at least twice per month, on the Swiss Fund Data homepage at [www.swissfunddata.ch](http://www.swissfunddata.ch), and, if deemed necessary, in other Swiss or foreign newspapers, via electronic information media, etc.



## **5.5 Sales restrictions**

With respect to the issue and redemption of units of the subfunds outside Switzerland, the regulations valid in the country in question apply.

- a) No authorization has been obtained for the distribution of the subfunds abroad.
- b) Units of the fund may not be offered for sale, sold or delivered to US citizens, persons domiciled in the US and/or other individuals or legal entities whose income and/or capital gains, irrespective of source, are subject to US income tax, as well as persons who are considered to be US persons by virtue of Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act, as amended.

## **5.6 Detailed regulations**

All further information on the umbrella fund and subfunds, such as the method used for the valuation of the subfunds' assets, a list of all fees and incidental costs charged to the investor and the subfunds, and the appropriation of net income, can be found in detail in the fund contract.

## **Part 2: INVESTMENT FUND CONTRACT**

### **I. Basic principles**

#### **Article 1 Name; company and head office of the fund management company and custodian bank**

1. A contractual umbrella fund of the type "Securities funds" has been established under the name SYZ AM (CH) 1 (hereinafter "umbrella fund") in accordance with Art. 25 et seq. in conjunction with Art. 53 and seq. and Art. 92 et seq. of the Swiss Federal Act on Collective Investment Schemes (CISA) of 23 June 2006. The umbrella fund is split into the following subfunds:

- EURO FIXED INCOME
- USD FIXED INCOME
- NATURAL RESOURCES EQUITY
- MONEY MARKET FUND USD
- MONEY MARKET FUND USD UHNWI

2. The fund management company is Vontobel Fonds Services AG, Zurich.
3. The custodian bank is RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch.
4. The wealth manager is SYZ Asset Management (Suisse) S.A., Geneva.

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

#### **Article 2 Investment fund contract**

The legal relationship between the investor, on the one hand, and the fund management company and the custodian bank, on the other, will be governed by the present investment fund contract and the applicable provisions of the legislation on collective investment schemes.

#### **Article 3 Fund management company**

1. The fund management company manages the subfunds 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 of the subfunds and determines the issue and redemption prices of units as well as the distribution of income. It exercises all rights associated with the umbrella fund and subfunds.
2. The fund management company and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organizational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information on the umbrella fund and/or subfunds. They communicate all fees and costs charged directly or indirectly to the investors, as well as how these monies are used. They provide full, sincere and comprehensible information to the investors concerning the remuneration received for the distribution of collective investment schemes in the form of commissions, brokerage fees and other pecuniary benefits.
3. The fund management company can delegate investment decisions for all subfunds or for individual subfunds as well as specific tasks in order to ensure efficient management. It will only commission persons who are qualified to properly execute the delegated tasks, and will ensure appropriate instruction and monitoring of these persons as well as efficient controlling of the execution of the mandate.

Investment decisions may be delegated only to asset managers subject to a recognized supervisory authority.

Should foreign law require an agreement on cooperation and the exchange of information with foreign supervisory authorities, the fund management company may only delegate investment decisions to an asset manager abroad if such an agreement exists between FINMA and the competent foreign supervisory authority with regard to the investment decisions concerned.

Investment decisions may not be delegated to the custodian bank or to other companies whose interests could come into conflict with those of the fund management company or the investors.

The fund management company will be liable for the actions of its agents as if they were its own actions.

4. The fund management company may with the consent of the custodian bank submit amendments to this investment fund contract to the supervisory authority for approval (cf. Article 26).
5. The fund management company can merge the individual subfunds with other subfunds or with other investment funds pursuant to the provisions set down under Article 24 and can dissolve the individual subfunds pursuant to the provisions set down under Article 25.
6. The fund management company is entitled to receive the fees stipulated in Articles 18 and 19. It is further entitled to be released from the liabilities assumed in the proper execution of the collective investment scheme, and to be reimbursed for expenses incurred in connection with such liabilities.

#### **Article 4 Custodian bank**

1. The custodian bank is responsible for the safekeeping of assets of the subfunds. It handles the issue and redemption of fund units as well as payments on behalf of the subfunds.
2. The custodian bank and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organizational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information on the umbrella fund and/or subfunds. They communicate all fees and costs charged directly or indirectly to the investors, as well as how these monies are used. They provide full, sincere and comprehensible information to the investors concerning the remuneration received for the distribution of collective investment schemes in the form of commissions, brokerage fees and other pecuniary benefits.
3. The custodian bank is responsible for maintaining the accounts and custody accounts but may not dispose of the assets they contain.
4. It guarantees that, in the case of transactions related to the assets of the investment fund, the countervalue is transferred to it within the usual deadline. It will notify the fund management company if this is not the case and requests compensation from the counterparty for the assets concerned, if possible.
5. The custodian bank maintains all necessary records and accounts in order to be able to distinguish at any time the asset positions in its safekeeping from the different collective investment schemes.

It verifies ownership of the fund management company with regard to the assets that could not be received in safekeeping and maintains records on this subject.

6. The custodian bank may delegate the safekeeping of the subfunds' assets to third-party custodians or collective securities depositaries in Switzerland or abroad. It monitors and verifies if

the third-party custodian or collective securities depository it has mandated complies with the following:

- a) It has an appropriate business organization and the financial guarantees and technical qualifications required in line with the type and complexity of the assets entrusted to it.
- b) It undergoes regular external audits and can guarantee the financial instruments are in its possession.
- c) It safeguards the assets received from the custodian bank in such a way that they can be identified at any time as belonging to the fund's assets, by means of regular adjustments to the positions by the custodian bank.
- d) It respects the provisions that apply to the custodian bank in terms of exercising the tasks assigned to it and preventing conflicts of interest.

The custodian bank is liable for damages caused by the mandate to the extent that it is not able to prove that it exercised the requisite due diligence with regard to selection, instruction and monitoring. The prospectus contains details on the risks inherent in delegating safekeeping to third-party custodians and collective securities depositories.

As stipulated in the previous paragraph, the safekeeping of financial instruments may be delegated solely to a third-party custodian or collective securities depository subject to surveillance. The only exception to this rule is if mandatory safekeeping in a place or delegation to a third-party custodian or collective securities depository that is subject to surveillance is not possible, namely due to legally binding provisions or to the terms of the investment product. The investors must be notified in the prospectus of safekeeping by a third-party custodian or collective securities depository subject to supervision.

7. The custodian bank ensures that the fund management company complies with the law and the investment fund contract. It checks whether the calculation of the net asset values and of the issue and redemption prices of the units as well as the investment decisions are in compliance with the law and the investment fund contract, and whether the income is appropriated in accordance with the aforementioned contract. The custodian bank is not responsible for the choice of investments made by the fund management company in accordance with the investment regulations
8. The custodian bank is entitled to receive the fees stipulated in Articles 18 and 19. It is further entitled to be released from the liabilities assumed in the proper execution of the collective investment scheme, 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 the subfunds invest, unless this task has been delegated to it.

#### **Article 5 Investors**

1. The circle of investors is not limited.

For certain classes, limitations are possible as defined in Article 6.4.

2. On concluding the contract and making a payment in cash, investors acquire a claim against the fund management company in respect of a participation in the assets and income of a subfund of the umbrella fund. Instead of a payment in cash, a non-cash contribution may be made in accordance with § 17 (7) at the investors' request and subject to the approval of the fund management company. Investors' claims are evidenced in the form of fund units.
3. Investors are entitled to participate in the assets and income of only that subfund in which they hold units. Liabilities that are attributable to an individual subfund are borne solely by that subfund.

4. The investors are obliged to remit payment only for the units of the subfund to which they subscribe. They will not be held personally liable for the liabilities of the umbrella fund or the subfund.
5. Investors may at any time request that the fund management company supply them with the necessary information regarding the basis on which the net asset value per unit is calculated. If investors express 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, on the management of risks or on non-cash contributions, the fund management company must provide them with such information at all times. The investors may request at the courts of the registered office of the fund management company that the auditors or another expert investigate the matter which requires clarification and provide the investors with a report.
6. The investors may terminate the fund contract on any given day and request that their share in the subfund concerned be paid out in cash.
7. If requested, the investors are obliged to provide the fund management company, the custodian bank and their agents with proof that they comply with or continue to comply with the provisions laid down in the law or the fund contract in respect of participation in a subfund or unit class. Furthermore, they are obliged to inform the fund management company, the custodian bank and their agents immediately once they no longer meet these prerequisites.
8. The fund management company in conjunction with the custodian bank must effect a forced redemption of the units of an investor at the current redemption price if:
  - a) such a measure is necessary to safeguard the reputation of the financial centre, especially with regard to anti-money laundering;
  - b) the investor no longer meets the legal, regulatory, contractual or statutory conditions required to participate in a subfund.
9. Moreover, the fund management company in conjunction with the custodian bank may effect a forced redemption of the units of an investor at the current redemption price if:
  - a) the participation of the investor in a subfund is such that it could have a significant detrimental impact on the economic interests of the other investors, in particular if the participation could result in tax disadvantages for the umbrella fund and/or a subfund in Switzerland or abroad;
  - b) the investors have acquired or hold their units in violation of provisions of a law to which they are subject either in Switzerland or abroad with regard to the present fund contract or the prospectus;
  - c) there is a detrimental impact on the economic interests of the investors, in particular in cases where individual investors seek by way of systematic subscriptions and immediate redemptions to realize a pecuniary benefit by exploiting the time differences between the setting of the closing prices and the valuation of the subfund's assets (market timing).

#### **Article 6 Units and unit classes**

1. The fund management company can establish different unit classes and can also merge or dissolve unit classes for each subfund 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 subfund concerned, which are not segmented. This share may differ due to class-specific costs, distributions or income, and the various classes may therefore have different net asset values per

unit of a given subfund. Class-specific costs are covered by the assets of the subfund as a whole.

2. Notification of the establishment, dissolution or merger of unit classes will be published in the media of publication. Only mergers will be deemed a change to the fund contract pursuant to Article 26.
3. The various unit classes of the subfunds 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 only charged to the unit class for which the respective service is performed. Fees and costs that cannot be unequivocally allocated to a unit class will be charged to the individual unit classes on a pro rata basis in relation to their share of the subfund's assets.

4. For each subfund, there is now a unit class denominated class "A".
5. Units will not take the form of actual certificates but will exist purely as book entries. Investors are not entitled to request delivery of a share certificate or a bearer certificate.
6. The fund management company is obliged to instruct investors who no longer meet the conditions for holding a unit class to redeem their units within 30 calendar days pursuant to Article 17, transfer them to a person who meets the aforementioned prerequisites, or to switch them into units of another unit class of the subfund concerned whose conditions they do meet. If an investor fails to comply with this requirement, the fund management company may, in cooperation with the custodian bank and pursuant to Article 5.7, make a forced switch into another unit class of the subfund concerned or, should this not be possible, effect a forced redemption of the units in question.

### **III. Investment policy guidelines**

#### **A Investment principles**

##### **Article 7 Compliance with investment regulations**

1. In selecting individual investments of each subfund, 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 the assets of the individual subfunds at market value and must be complied with at all times. The individual subfunds must have fulfilled the terms of the investment restrictions no later than six months after expiry of the subscription period (launch).
2. If the limits are exceeded as a 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 Article 12 below are exceeded due to 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.

##### **Article 8 Investment policy**

1. Within the framework of the specific investment policy of each subfund, the fund management company may invest the assets of each subfund in the following investments. The risks involved in these investments must be disclosed in the prospectus.
  - a) Securities, i.e. securities issued in large quantities and non-securitized rights with the same function (uncertified securities) that are traded on a stock exchange or another market open to the public, and that embody a participation right or claim or the right to acquire such securities and uncertified securities by way of subscription or exchange, for example warrants

Investments in securities from new issues are only permitted if their admission to a stock exchange or another regulated market open to the public is envisaged under the terms of issue. If they have not been admitted to a stock exchange or another regulated market open to the public within a year after their acquisition, these securities must be sold within one month or included under the restriction set down in Section 1 lit. g).

- b) Derivatives, if (i) the underlying securities are securities pursuant to lit. a), derivatives pursuant to lit. b), units in collective investment schemes pursuant to lit. d), money market instruments pursuant to lit. e), financial indices, interest rates, exchange rates, credits or currencies, and (ii) the underlying securities are permitted as investments under the fund contract Derivatives are either traded on a stock exchange or another regulated market open to the public, or are traded OTC.

Investments in financial derivatives traded OTC (OTC transactions) are permitted only if (i) the counterparty is a regulated financial intermediary specializing in such transactions, and (ii) the OTC derivatives can be traded daily or a return to the issuer is possible at any time. In addition, it must be possible for them to be valued in a reliable and transparent manner. Financial derivatives may be used pursuant to Article 12.

- c) Structured products, if (i) the underlying securities are securities pursuant to lit. a), derivatives pursuant to lit. b), structured products pursuant to lit. c), units in collective investment schemes pursuant to lit. d), money market instruments pursuant to lit. e), financial indices, interest rates, exchange rates, credits or currencies, and (ii) the underlying securities are permitted as investments under the fund contract Structured products are either traded on a stock exchange or another regulated market open to the public, or are traded OTC.

OTC transactions are permitted only if (i) the counterparty is a regulated financial intermediary specializing in such transactions, and (ii) the OTC derivative products can be traded daily or a return to the issuer is possible at any time. In addition, it must be possible for them to be valued in a reliable and transparent manner.

- d) Units of other collective investment schemes (target funds), provided that (i) their documents restrict investments for their part in other target funds to a total of 10%, (ii) these target funds – are subject to provisions equivalent to those pertaining to securities funds in respect of the purpose, organization, investment policy, investor protection, risk diversification, asset segregation, borrowing, lending, short-selling of securities and money market instruments, the issuing and redemption of fund units –and the content of the semi-annual and annual reports, and (iii) these target funds are authorized as collective investment schemes in their country of domicile and are subject there to supervision which is equivalent to that in Switzerland and which serves to protect investors, and that international legal assistance is ensured

In this regard, the fund management company may invest up to a maximum of 30% of the assets of each individual subfund in units of target funds that are neither securities funds nor compliant with the pertinent European Union directives (Undertakings for Collective Investment in Transferable Securities, UCITS), but that are equivalent to these directives or securities funds as defined by Art. 53 CISA.

The fund management company may acquire, subject to Article 19, units of target funds directly or indirectly managed by itself or by a company with which it is related by virtue of common management or control or by way of a major direct or indirect stake.

e) Money market instruments, provided that 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 of the Swiss Collective Investment Schemes Ordinance (CISO)

f) Sight or time deposits with terms to maturity not exceeding 12 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 this country which is equivalent to the supervision in Switzerland

g) Investments other than those specified in a) to f) above up to a total of 10% of the assets of an individual subfund. The following are not permitted: (i) investments in precious metals, precious metals certificates, commodities and commodity certificates as well as (ii) short-selling of investments of any kind.

**Investment policy for the NATURAL RESOURCES EQUITY subfund:**

2.1 a) The fund management company will, after deduction of the liquid assets, invest at least two-thirds of the subfund's assets in:

aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by stock exchange-listed companies that carry out the bulk of their business activities without geographical restriction in the energy, natural resources and commodities sectors;

ab) units of other collective investment schemes which according to their documents invest their assets or parts thereof in accordance with the guidelines of this subfund;

ac) financial derivatives (including warrants) on the above investments;

ad) structured products in freely convertible currencies such as certificates issued by issuers worldwide on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above and structured products pursuant to lit. ad) above, the fund management company will ensure that at least two thirds of the subfund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

b) Subject to the provisions of lit. c), the fund management company may, after deduction of the liquid assets, also invest up to a maximum of one third of the subfund's assets in:

- equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies that do not meet the requirements specified in Section 2, lit. aa);
- bonds, convertible bonds, convertible notes, bonds with warrants and notes, as well as other fixed or variable-interest debt instruments and rights denominated in freely convertible foreign currencies issued by private and public borrowers domiciled in OECD countries;
- money market instruments denominated in freely convertible currencies issued by Swiss and foreign issuers;
- financial derivatives (including warrants) on the above investments;
- units in other collective investment schemes that do not meet the requirements specified in Section 2 lit. ab).

c) The fund management company must also comply with the following investment restrictions, which refer to the subfund's assets after the deduction of liquid assets:

- other collective investment schemes up to a total of 49%;
- convertible bonds and bonds with warrants up to 25%.

**Investment policy for the EURO FIXED INCOME and USD FIXED INCOME subfunds:**

2.2 a) The fund management company will, after deduction of the liquid assets, invest at least two-thirds of the subfund's assets in:

aa) bonds, notes and other fixed or variable-interest debt instruments and rights issued by private and public borrowers, denominated in euros for the EURO FIXED INCOME subfund issued by private and public borrowers with a minimum rating of A+ given by Standard & Poors, A1 given by Moody's or A+ given by Fitch (total duration of the fund (including cash) must remain in the range of +/-2 years versus the benchmark), and denominated in US dollars for the USD FIXED INCOME subfund issued by private and public borrowers with a minimum rating of A+ given by Standard & Poors, A1 given by Moody's or A+ given by Fitch (total duration of the fund (including cash) must remain in the range of +/-2 years versus the benchmark). The names of the benchmarks used for the compartments are specified in the prospectus and in the key investor information documents;

ab) units of other collective investment schemes which according to their documents invest their assets or parts thereof in accordance with the guidelines of this subfund;

ac) financial derivatives (including warrants) on the above investments;

ad) structured products in euros for the EURO FIXED INCOME subfund, and in US dollars for the USD FIXED INCOME subfund, such as certificates issued by issuers worldwide on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above and structured products pursuant to lit. ad) above, the fund management company will ensure that at least two thirds of the subfund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

b) Subject to the provisions of lit. c), the fund management company may, after deduction of the liquid assets, also invest up to a maximum of one third of the subfund's assets in:

- debt instruments and rights issued by Swiss and foreign borrowers that do not meet the requirements specified in Section 2 lit. aa) with regard to currency or investment country/region, such as emerging markets;
- convertible bonds, convertible notes and bonds with warrants denominated in freely convertible currencies issued by borrowers carrying out the bulk of their business activity respectively in Switzerland, in the eurozone or on the American continent, all of this without exception with regard to economic sector or business activity;
- equities and other equity-type securities and rights issued by companies with their head office or carrying out the bulk of their business activity respectively in Switzerland, in the eurozone or on the American continent, all of this without exception with regard to economic sector or business activity;
- money market instruments denominated in freely convertible currencies issued by Swiss and foreign issuers;

- financial derivatives (including warrants) on the above investments;
  - units in other collective investment schemes that do not meet the requirements specified in Section 2 lit. ab);
  - financial derivatives (including warrants) on the investments specified in a) and b) above.
- c) The fund management company must also comply with the following investment restrictions, which refer to the subfund's assets after the deduction of liquid assets:
- convertible bonds, convertible notes and bonds with warrants up to 25%;
  - equities and other equity-type securities and rights as well as financial derivatives (including warrants) up to a total of 10%;
  - other collective investment schemes up to a total of 49%.

**Investment policy for the MONEY MARKET FUND USD and MONEY MARKET FUND USD UHNWI subfunds (money market funds)**

- 2.3 The investment objective of these subfunds is principally to safeguard capital and to deliver a return in line with money-market interest rates for the relevant reference currencies, as follows:
- MONEY MARKET FUND USD: USD
  - MONEY MARKET FUND USD UHNWI: USD

The fund management company will, after deduction of the liquid assets, invest each subfund's assets in:

- a) money-market instruments and bank sight and time deposits denominated in the respective reference currency or in other currencies that are fully hedged against the respective reference currency, issued by governments, public-law entities or private-sector borrowers. Investments in securities are restricted to those having a residual maturity of less than or equal to two years to final term, provided that the residual maturity until the next date on which the interest rate is set is shorter than or equal to 397 days (floating-rate securities must be adjusted to a money market rate or index). Moreover, the subfund portfolios must have a weighted average maturity (WAM) of six months at most and a weighted average life (WAL) of 12 months at most.

Money market instruments must be of top-grade quality, i.e. they must have one of the two highest short-term credit ratings awarded by each of the credit-rating agencies providing a rating for the relevant instrument and recognized by the relevant supervisory authority or, if the instrument has not been awarded a credit rating, be of an equivalent grade as assessed according to the fund management company's in-house rating system. As an exception, if money market instruments are considered to be "public-sector issues" (as laid down in Art. 74 para. 2 let. a)-i) CISO, they must be at least of investment grade quality;

- b) units in other collective investment schemes (target funds) which themselves comply with the definition of a money market fund or a short-term money market fund investing their assets exclusively in the types of instruments specified above. Target funds are limited, at most, to 49% of the subfund's assets after liquidities have been deducted;
- c) derivatives, including warrants, on the above-mentioned investment vehicles, in compliance with the sub-fund's currency investment strategy;
- d) Moreover, the fund management company may invest up to a maximum 10% of a subfund's assets in other investments in accordance with Article 8.1, unless it is prohibited to have any direct or indirect holdings in equities or commodities, including via derivatives.

Derivatives involving currency risk are authorized for hedging purposes only. Investments in securities denominated in a currency other than the subfund's reference currency are allowed provided that the currency risk is fully hedged.

3. Subject to the provisions of Article 19, the fund management company may acquire units of target funds that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes

**Investments in collective investment schemes**

The investor is aware that investing in collective investment schemes allows for the risks to be diversified among investments across different strategies and across different managers. However, each of these underlying investments has its own fee structure to which are added the fees of the subfund.

4. Derivative transactions involve a degree of counterparty risk over and above market risk, i.e. there is a risk that the other party to the contract may not be able to honour their obligations and might thus cause a financial loss to be incurred.

**Article 9 Liquid assets**

The fund management company may also hold liquid assets for each subfund in an appropriate amount in the accounting currency of the subfund concerned and in any other currency in which investments are permitted for said subfund. Liquid assets comprise bank deposits at sight or on demand with maturities of up to 12 months.

**B. Investment techniques and instruments**

**Article 10 Securities lending**

1. The fund management company may lend all types of securities which are traded on an exchange or a regulated market open to the public for the account of the subfunds. However, it may not lend securities acquired under reverse repo transactions.
2. The fund management company may lend securities and rights in its own name and for its own account to a borrower ("principal") or appoint an intermediary to put the securities at the disposal of the borrower, either indirectly on a fiduciary basis ("agent") or directly ("finder").
3. The fund management company shall enter into securities lending transactions only with first-class borrowers or agents subject to supervision and specialising in transactions of this type, such as banks, brokers, insurance companies and central counterparties, as well as authorized and recognized central securities depositories which can guarantee the proper execution of the securities lending transactions.
4. If the fund management company must observe a period of notice (which may not exceed 7 bank business days) before it may legally repossess the securities lent, it may not lend more than 50% of a particular security eligible for lending. However, should the borrower or the intermediary contractually guarantee to the fund management company that it may legally repossess loaned securities on the same or following bank working day, then the entire eligible holding of a particular security may be lent.
5. The fund management company shall conclude an agreement with the borrower or intermediary whereby the latter shall pledge or transfer collateral in order to secure the restitution of securities in favour of the fund management company in accordance with Art. 51 CISO-FINMA. The value of the collateral must be appropriate and at all times be equal to at least 100% of the market value of the securities lent. The collateral issuer must have a high credit rating, and the collateral

securities provided must not be issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day. In managing the collateral, the fund management company and its agents must comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must diversify the collateral appropriately in terms of countries, markets and issuers. Appropriate diversification of issuers is deemed to have been achieved if the collateral held by a single issuer does not correspond to more than 20% of the net asset value. Deviation from this rule is permitted for publicly guaranteed or issued investments pursuant to Art. 83 CISO. The fund management company and its agents must further be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent. The collateral received must be kept at the custodian bank. The collateral received may be held in safekeeping by a supervised third-party custodian on behalf of the fund management company provided that ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.

6. The borrower or intermediary is liable for ensuring the prompt, unconditional payment of any income accruing during the securities lending period, as well as for the assertion of other proprietary rights, and for the contractually agreed return of securities of the same type, quantity and quality.
7. The custodian bank will ensure that the securities lending transactions are handled in a secure manner in line with the agreements and in particular will monitor compliance with the requirements relating to collateral. For the duration of the securities lending transactions it will also be responsible for the administrative duties assigned to it under the custody account regulations and for asserting all rights associated with the loaned securities, provided that these have not been ceded under the terms of an applicable framework agreement.
8. The prospectus must contain further information on the collateral strategy.

#### **Article 11            Securities repurchase agreements**

The fund management company does not engage in transactions relating to securities repurchase agreements in the subfunds.

#### **Article 12            Financial derivatives**

1. The fund management company may use derivatives. It shall ensure 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, the prospectus and the key investor information document, and that it does not change the investment character of the subfunds. Furthermore, the underlyings of the derivatives must be permissible investments according to the present fund contract.

The derivatives may only be used in connection with collective investment schemes or for currency hedging purposes, except in order to hedge market, exchange rate and credit risks for collective investment schemes, provided that the risks are clearly definable and measurable.

2. Commitment Approach I is applied to the assessment of risk. Taking into account the necessary coverage set out in this paragraph, the use of derivatives does not result in a leverage effect on the fund assets, neither does it correspond to short selling.

The provisions outlined in this paragraph apply to each individual subfund.

3. Only basic types of derivative may be used. These comprise:
  - a) Call or put options whose value at expiration 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 algebraic sign
  - b) Credit default swaps (CDS)
  - c) Swaps whose payments are dependent on the value of the underlying or on an absolute amount in both a linear and a non-path dependent manner
  - d) Future and forward transactions whose value is linearly dependent on the value of the underlying
4. The financial effect of the derivatives is similar to either a sale (exposure-reducing derivative) or a purchase (exposure-increasing derivative) of an underlying security.
5.
  - a) In the case of exposure-reducing derivatives, the arising obligations subject to lit. b) and d) must be covered at all times by the underlyings of the derivative.
  - b) Cover with investments other than the underlyings will be permitted in the case of exposure-reducing derivatives that relate to an index which
    - is calculated by an independent external office;
    - is representative of the investments serving as cover;
    - has an acceptable correlation to these investments.
  - c) The fund management company must have unrestricted access to these underlyings or investments at all times.
  - d) An exposure-reducing derivative can be weighted by the delta in the calculation of the corresponding underlyings.
6. In the case of exposure-increasing derivatives, the underlying equivalents must be covered at all times by near-money assets pursuant to Art. 34 para. 5 CISO-FINMA. In the case of futures, options, swaps and forwards, the underlying equivalent is determined in accordance with Annex 1 CISO-FINMA.
7. When netting derivative positions, the fund management company must comply with the following rules:

- a) Counter positions in derivatives based on the same underlying as well as counter positions in derivatives and in investments in the same underlying may be netted, irrespective of the maturity date of the derivatives, provided that the derivative transaction was concluded with the sole purpose of eliminating the risks associated with the derivatives or investments acquired, no material risks are disregarded in the process, and the conversion amount of the derivatives is determined pursuant to Art. 35 CISO-FINMA.
- b) If the derivatives in hedging transactions do not relate to the same underlying as the asset that is to be hedged, for netting to be permitted a further condition must be met in addition to the rules set out under a) above, namely that the derivative transactions may not be based on an investment strategy that serves to generate profit. Furthermore, the derivative must result in a demonstrable reduction in risk, the risks of the derivative must be balanced out, the derivatives, underlyings, or assets that are to be netted must relate to the same class of financial instruments, and the hedging strategy must remain effective even under exceptional market conditions.

- c) Derivatives that are used solely for currency hedging purposes and do not result in leverage or contain additional market risks may be netted when calculating the overall exposure arising from derivatives without having to meet the requirements set out under b) above.
- d) Covered hedging transactions by interest derivatives are permitted. Convertible bonds do not have to be taken into account when calculating the overall exposure to derivatives.
8. The fund management company may use both standardized and non-standardized derivatives. It can conclude transactions in derivatives on an exchange or another regulated market open to the public or in OTC (over-the-counter) trading.
9. a) The fund management company may conclude OTC transactions only with regulated financial intermediaries that are specialized in such types of transactions, are subject to supervision and ensure proper execution of the contract. If the counterparty is not the custodian bank, the former or its guarantor must have a high credit rating.
- b) It must be possible to reliably and verifiably value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
- c) If no market price is available for an OTC derivative, it must be possible to determine the price at any time using an appropriate valuation model that is recognized in practice, based on the market value of the underlyings from which the derivative was derived. Before concluding a contract for such a derivative, specific offers must, in principle, be obtained from at least two counterparties, and the contract concluded with the counterparty providing the most favourable offer in terms of price. Deviations from this principle are permitted for reasons relating to risk diversification, or where other parts of the contract such as credit rating or the range of services offered by the counterparty render another offer more advantageous overall for the investors. Furthermore, and by way of exception, the requirement to obtain offers from at least two potential counterparties may be dispensed with if this is in the investors' best interests. The reasons for doing so must be clearly documented, as must the conclusion of the contract and pricing.
- d) As part of OTC transactions, the fund management company and its agents may only accept collateral that satisfies the requirements set down in Art. 51 CISO-FINMA. The issuer of the collateral must have a high credit rating, and the collateral may not be issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day. In managing the collateral, the fund management company and its agents must comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must diversify the collateral appropriately in terms of countries, markets and issuers. Appropriate diversification of issuers is deemed to have been achieved if the collateral held by a single issuer does not correspond to more than 20% of the net asset value. Deviation from this rule is permitted for publicly guaranteed or issued investments pursuant to Art. 83 CISO. The fund management company and its agents must further be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent. The collateral received must be kept at the custodian bank. The collateral received may be held in safekeeping by a supervised third-party custodian on behalf of the fund management company provided that ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
10. In respect of compliance with the statutory and contractual restrictions (maximum and minimum limits), derivatives will be taken into account in accordance with the legislation on collective investment schemes.
11. The prospectus contains 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 subfunds;
  - the counterparty risks attached to derivatives;
  - the collateral strategy.
- Article 13 Lending and granting of loans**
1. The fund management company may not grant loans for the subfunds' account.
2. The fund management company may for each subfund borrow the equivalent of up to 10% of the net assets of said subfund on a temporary basis.
- Article 14 Encumbrance of the subfunds' assets**
1. No more than 25% of the net assets of any subfund may be pledged or ownership thereof transferred as collateral by the fund management company at the expense of the subfund concerned.
2. The subfunds' assets may not be encumbered with guarantees.
- C. Investment restrictions**
- Article 15 Risk diversification**
1. The regulations on risk diversification must include the following:
- a) Investments pursuant to Article 8, with the exception of index-based derivatives, provided that the index is sufficiently diversified, is representative of the market to which it relates and is published in an appropriate manner
  - b) Liquid assets pursuant to Article 9
  - c) Claims against counterparties arising from OTC transactions
- The regulations on risk distribution apply to each subfund individually.
2. Companies which form a group in accordance with international accounting regulations are deemed to be a single issuer.
3. The fund management company may, including derivatives, invest up to a maximum of 10% of a subfund's assets in securities or money market instruments from a single issuer. The total aggregated value of securities and money market instruments of issuers in which over 5% of a subfund's total assets have been invested may not exceed 40% of the relevant subfund's total assets. This remains subject to the provisions of Sections 4 and 5.
4. The fund management company may invest up to a maximum of 20% of a subfund's assets in sight or time deposits from a single bank. Both liquid assets pursuant to Article 9 and investments in bank deposits pursuant to Article 8 are included in this limit.
5. The fund management company may invest up to a maximum of 5% of a subfund's 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 will be increased to 10% of the assets of the subfund concerned.



If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.

6. Investments, deposits and claims pursuant to Sections 3 to 5 above and issued by the same issuer/borrower may not in total exceed 20% of the assets of a subfund, with the exception of the higher limits pursuant to Sections 12 and 13 below.
7. Investments pursuant to Section 3 above of the same group of companies may not in total exceed 20% of the assets of a subfund, with the exception of the higher limits pursuant to Sections 12 and 13 below.
8. The fund management company may invest a maximum of 20% of the assets of a subfund in units of the same target fund.
9. The fund management company may not acquire equity securities which in total represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company.
10. The fund management company may acquire for the assets of a subfund up to a maximum of 10% of the non-voting equity, bonds and/or money market instruments of the same issuer as well as a maximum of 25% of the units of other collective investment schemes.

These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units of other collective investment schemes cannot be calculated at the time of acquisition.

11. The restrictions outlined in Sections 9 and 10 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 organization to which Switzerland or a member state of the European Union belongs.
12. The limit of 10% specified in Section 3 above is increased to 35% if the securities or money market instruments are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organization 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 Section 3. However, the individual limits specified in Sections 3 and 5 may not be added together with the existing limit of 35%.
13. The limit of 10% specified in Section 3 above is increased to 100% if the securities or money market instruments are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organization to which Switzerland or a member state of the European Union belongs. In this case, the subfund concerned must invest in securities or money market instruments from at least six different issues; no more than 30% of the assets of the subfund concerned 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 Section 3.

The aforementioned authorized issuers/guarantors are members of the OECD.

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

##### **Article 16 Calculation of net asset value**

1. The net asset value of each subfund and the sharing of the various classes is calculated in the accounting currency of the subfund concerned at the market value as of the end of the financial year and for each day on which units are issued or redeemed. The assets of a

subfund will not be calculated on days when the stock exchanges/markets in the main investment countries of the subfund concerned are closed (e.g. bank and stock exchange holidays).

2. Securities traded on a stock exchange or another regulated market open to the public will be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available will be valued at the price which would probably be obtained in a diligent sale at the time of valuation. In such cases, the fund management company will use appropriate and recognized valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price/net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company can value such funds in accordance with Section 2.
4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the 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 the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the 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 on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions or the credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The net asset value of a unit of a subfund class is determined by the market value of the subfund's assets pertaining to the class in question, minus all the subfund's liabilities related to said class, divided by the number of units of that subfund class in circulation, rounded up/down to the closest centime or cent (as applicable)..
7. The percentage allocation of the market value of a subfund's net assets (subfund's total assets less liabilities) attributable to the various unit classes is defined for the first time when the various unit classes are initially issued (if they are all issued at the same time) or when a new class is launched on the basis of outlays put into each unit class in the relevant subfund. The percentage allocation will be recalculated when the following events occur:
  - a) when units are issued or redeemed;
  - b) on the pertinent date for distribution provided that (i) income is only distributed to various unit classes (distribution categories) or (ii) the income distributed to the various unit classes differs as percentages of their net asset value or (iii) different commission fees or expenses expressed as a percentage of the income distributed are applied to the distribution of income for the various unit classes;
  - c) when the net asset value is calculated as part of the assignment of liabilities (including expenses and commission fees that are due or accrued) to the various unit classes, provided that the liabilities on the various unit classes differ in terms of their percentage of the net asset value, especially if (i) different commission fee rates are applied to the various unit classes or (ii) charges that are specific to various unit classes are levied;

- d) when the net asset value is calculated as part of the allocation of income or capital gains to the various unit classes, provided that the income or capital gains have been generated from transactions conducted solely for one or several unit classes, but disproportionately to their percentage share of a subfund's total assets.

**Article 17 Issue and redemption of units**

- 1) Subscription and redemption orders for units of the subfunds are accepted on the day the orders are placed up to a certain cut-off time as 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 after the day on which the order is placed (valuation day; forward pricing). The details are stipulated in the prospectus.
2. The issue and redemption price of units is based on the net asset value per unit calculated on the valuation day on the basis of the closing prices from the previous day as defined under Article 16. In the case of unit issues, the incidental costs (standard brokerage fees, commissions, taxes etc.) incurred on average by the subfund concerned in connection with the investment of the amount paid in will be added to the net asset value. In the case of unit redemptions, the incidental costs incurred on average by the subfund concerned in connection with the sale of the portion of investments corresponding to the redeemed units will be deducted from the net asset value. The applicable rate is stated in the prospectus and simplified prospectus. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to Article 18, while in the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to Article 18.
3. The fund management company may suspend the issue of units at any time, and may reject applications to subscribe to or switch units.
4. The fund management company may temporarily and by way of exception defer repayment in respect of units of a subfund in the interests of all investors in the following circumstances:
  - a) when a market which serves as the basis for the valuation of a significant proportion of the assets of the subfund concerned 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 subfund can no longer transact its business;
  - d) in the event of large-scale redemptions of units of a subfund that could significantly affect the interests of the remaining investors in said subfund.
5. The fund management company will immediately apprise the auditors, the supervisory authority and the investors of any decision to suspend redemptions in a suitable manner.
6. No units of a subfund will be issued as long as the repayment in respect of units of this subfund is deferred for the reasons stipulated under Section 4 lit. a) to c).
7. When subscribing to a fund, investors may request to transfer investments instead of a making a cash payment ("non-cash contribution" or "contribution in kind"). The request must be submitted at the same time as the subscription. The fund management company shall not be obliged to authorize non-cash contributions.

The fund management company bears sole decision-making authority regarding non-cash contributions and shall only approve transactions if their execution is fully compliant with the investment fund's investment policy and this does not compromise the interests of the other investors.

The costs in relation to a non-cash contribution may not be charged to the fund's assets.

In the case of non-cash contributions, the fund management company shall produce a report containing indications on the different investments transferred, the market value of these investments on the reference date of the transfer, the number of units issued and any possible netting of cash balances. The custodian bank shall verify in each particular case that the duty of loyalty has been respected by management, and that both the investments transferred and the units issued are valued on the applicable reference date. The custodian bank shall communicate without delay any reservations or objections to the auditor.

All transactions involving non-cash contributions must be listed in the annual report.

**V. Fees and incidental costs**

**Article 18 Fees and incidental costs charged to the investor**

1. When fund units are issued, the investors may be charged an issuing commission accruing to the fund management company, custodian bank and/or distributors in Switzerland and abroad, which in total will not exceed 2% of the net asset value for all subfunds. The currently applicable maximum rate is stated in the prospectus.
2. The fund management company elects not to charge a redemption commission.
3. When funds are issued and redeemed, the fund management company will also charge the incidental costs incurred by the subfund on average from selling the portion of the investments corresponding to the units redeemed (cf. Article 17.2); these monies will accrue to the assets of the subfund concerned. The applicable rate is stated in the prospectus and simplified prospectus.
4. The custodian bank will charge investors the normal bank charges and fees for the delivery of units. The current fees are stated in the prospectus.

**Article 19 Fees and incidental costs charged to the subfunds' assets**

1. For the administration, asset management and distribution of the subfunds, the fund management company will charge a commission not exceeding the following percentages of the net asset value of the subfunds, to be deducted from the assets of the subfunds concerned on a pro rata basis every time the net asset value is calculated, and paid at the end of each month (management fee).

- EURO FIXED INCOME	Class A	1.00%
- USD FIXED INCOME	Class A	1.00%
- NATURAL RESOURCES EQUITY	Class A	1.15%
- MONEY MARKET FUND USD	Class A	0.65%
- MONEY MARKET FUND USD UHNWI	Class A	0.65%

The fund management company will disclose the intended use of the management fee in the prospectus. It will also disclose if it makes reimbursements to investors and/or remuneration to distributors.

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

2. For the safekeeping of the assets of the subfunds, the handling of the subfunds' payment transactions and performance of the other tasks of the custodian bank listed under Article 4, the custodian bank will charge the subfunds a yearly commission not exceeding

the following percentages of the net asset value, to be deducted from the assets of the subfund concerned on a pro rata basis every time the net asset value is calculated and paid at the end of each month (custodian bank fee).

- EURO FIXED INCOME	Class A	0.25%
- USD FIXED INCOME	Class A	0.25%
- NATURAL RESOURCES EQUITY	Class A	0.35%
- MONEY MARKET FUND USD	Class A	0.10%
- MONEY MARKET FUND USD UHNWI	Class A	0.10%

The rate of the custodian bank fee actually charged per subfund is stated in the annual and semi-annual reports.

3. For the distribution of annual income to investors, the custodian bank does not charge the subfunds a commission.
4. Furthermore, the fund management company and the custodian bank will be entitled to reimbursement of the following costs incurred in the course of executing the investment fund contract:
  - a) Taxes collected by the supervisory authority for the establishment, amendment, liquidation, merger or grouping of the fund
  - b) Annual fees charged by the supervisory authority
  - c) Fees charged by the auditors for the annual audit as well as certifications issued in relation to the establishment, amendment, liquidation, merger or grouping of the fund
  - d) Fees charged by legal and tax advisors in relation to the establishment, amendment, liquidation, merger or grouping of the fund/subfunds as well as for safeguarding the interests of the fund and its investors in general
  - e) Costs of publishing the fund's net asset value as well as all costs resulting from communication with investors (including translation costs), provided that these are not due to culpable behaviour on the part of the fund management company
  - f) Costs of publishing legal documents and the fund's annual and semi-annual reports
  - g) Costs associated with having to register a fund with a foreign supervisory authority, specifically the fees received by the foreign supervisory authority, translation costs and the allowances paid to the representative or payment services provider abroad
  - h) Costs in relation to the exercise of voting rights or creditors' rights by the fund, including the fees charged by external advisors
  - i) Costs and fees linked to intellectual property rights asserted in the name of the fund or licensed by the latter
  - j) All costs incurred by extraordinary measures taken by the fund management company, the collective investment scheme manager or the custodian bank in order to safeguard the interests of the investors
5. The subfund will also bear all incidental costs for the purchase and sale of investments (standard brokerage fees, commissions, charges, etc.) incurred in managing the subfund's assets. These costs will be offset directly against the stated acquisition or saleable value of the respective investments.
6. The fund management company and its agents may, according to the provisions outlined in the prospectus, pay reimbursements within the context of remuneration for distribution and intermediation activities for fund units and also grant discounts in order to reduce the fees and costs of the Fund or its units that are charged to the investor.
7. If the fund management company acquires units of other collective investment schemes that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a substantial direct or indirect stake ("related target funds"), it may not charge any issuing or redemption commissions to the assets of the subfunds in respect of such related target funds.

7. Fees may be charged only to the subfund and class for which the specific service is performed. Costs that cannot be unequivocally allocated to a subfund or class will be charged to the individual subfunds or classes on a pro rata basis in relation to their share of the fund's assets.

## **VI. Financial statements and audits**

### **Article 20 *Financial statements***

1. The accounting currency is the euro for the EURO FIXED INCOME subfund, and the US dollar for the USD FIXED INCOME, NATURAL RESOURCES EQUITY, MONEY MARKET FUND USD and MONEY MARKET FUND USD UHNWI subfunds.
2. The financial year runs from 1 November to 31 October.
3. The fund management company will publish an audited annual report for the umbrella fund and/or the subfunds within four months of the end of the financial year.
4. The fund management company will publish a semi-annual report for the umbrella fund and/or the subfunds within two months of the end of the financial year.
5. The investor's right to obtain information under Article 5.4 is reserved.

### **Article 21 – Audit**

The auditors will each year examine whether the fund management company and the custodian bank have acted in compliance with the provisions of the fund contract as well as with the code of conduct of the Swiss Funds and Asset Management Association (SFAMA) The annual report will contain a short report by the auditors on the published annual financial statements.

## **VII. Appropriation of net income**

### **Article 22**

1. The net income of the subfunds is distributed annually for each unit class no later than four months after the close of the financial year, in the relevant subfund currency.

The fund management company may make additional interim distributions from the investment income.

Up to 30% of the net income of a unit class of the subfunds may be carried forward. Distribution may be waived and the entire net income carried forward to the subfund concerned subject to the following conditions:

- The net income in the current financial year including income carried forward from previous financial years from a collective investment scheme or unit class is less than 1% of the net asset value of the collective investment scheme or unit class.
  - The net income in the current financial year including income carried forward from previous financial years from a collective investment scheme or unit class is less than one monetary unit of the collective investment scheme or unit class.
2. Capital gains realized 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 umbrella fund and/or subfunds**

## Article 23

1. The media of publication of the umbrella fund and/or subfunds are deemed to be the print media or electronic media specified in the prospectus. Notification of any change in a medium of publication will be published in the media of publication.
2. The following information will in particular be published in the media 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 individual subfunds. 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 for each subfund publish both the issue and the redemption prices or the net asset value together with the footnote "excluding commissions" for all unit classes at [www.swissfunddata.ch](http://www.swissfunddata.ch). The prices will be published at least twice per month. The weeks and weekdays on which publications are made will be specified in the prospectus.
4. The prospectus with integrated fund contract, the key investor information documents 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

### Article 24 *Mergers*

1. Subject to the consent of the custodian bank, the fund management company may merge individual subfunds with other subfunds or other investment funds by transferring – as of the time of the merger - the assets and liabilities of the subfund and/or fund being acquired to the acquiring subfund or fund. The investors of the subfund and/or fund being acquired will receive the corresponding number of units in the acquiring subfund and/or fund. The subfund and/or fund being acquired will be terminated without liquidation when the merger takes place, and the fund contract of the acquiring subfund and/or fund will also apply to the subfund and/or fund 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 are basically identical in terms of the following provisions:
    - the investment policy, investment techniques, risk diversification, as well as the risks associated with the investment;
    - the appropriation of net income and capital gains realized on the sale of assets and rights;
    - the type, amount and calculation of all fees, the issue and redemption commissions together with the incidental costs for the purchase and sale of the investments (brokerage fees, rights, taxes) that may be charged to the assets of the fund and/or subfund or to the investors;
    - the redemption conditions;
    - the duration of the contract and the conditions of dissolution;
  - d) the valuation of the assets of the participating funds and/or subfunds, the calculation of the exchange ratio and the transfer of the assets and liabilities of the funds and/or subfunds must

take place on the same day;

- e) no costs will arise as a result for either the investment fund and/or the subfund or for the investors.
3. If the merger is likely to take longer than one day, the supervisory authority may approve limited deferment of repayment in respect of the units of the subfunds and/or investment fund involved.
  4. The fund management company must submit the intended amendments to the fund contract as well as the proposed merger to the supervisory authority for review at least one month before the planned publication, together with the merger schedule. The merger schedule must contain information on the reasons for the merger, the investment policies of the funds or subfunds involved and any differences between the acquiring fund and/or subfund and the fund and/or subfund being acquired, the calculation of the exchange ratio, any differences in terms of fees and any tax implications for the investment funds or subfunds, as well as a statement from the statutory auditors, as stipulated by law.
  5. The fund management company must publish a notice of the intended amendments to the fund contract pursuant to Article 23.2 as well as the proposed merger and its timing together with the merger schedule at least two months before the planned date of merger in the media of publication of the investment funds and/or subfunds in question. In this notice, the fund management company must inform the investors that they may lodge objections against the proposed amendments to the fund contract with the supervisory authority within 30 days from the final publication or request redemption of their units.
  6. The auditors must verify immediately that the merger is being carried out correctly, and will submit a report containing their comments in this regard to the fund management company and the supervisory authority.
  7. The fund management company will inform the supervisory authority without delay of the conclusion of the merger and will publish notification of the completion of the merger, confirmation from the auditors regarding the proper execution of the merger and the exchange ratio without delay in the media of publication of the funds and/or subfunds involved.
  8. The fund management company must make reference to the merger in the next annual report of the acquiring fund and/or subfund and also 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 and/or subfund being acquired.

### Article 25 *Duration and dissolution of the subfunds*

1. The subfunds have been established for an indefinite period
2. The fund management company or the custodian bank may dissolve individual subfunds by terminating the investment fund contract without delay.
3. Individual subfunds may be dissolved by order of the supervisory authority, in particular if one year after expiry of the subscription period (launch) at the latest, or after expiry of an extended period if approved by the supervisory authority at the request of the custodian bank and the fund management company, the subfund does not have net assets of at least 5 million Swiss francs (or the equivalent).
4. The fund management company will inform the supervisory authority of the dissolution without delay and will publish notification in the respective media of publication.

5. Once the fund contract has been terminated, the fund management company may liquidate the subfund concerned forthwith. If the supervisory authority has ordered the dissolution of a subfund, 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. Prior to the final payment, the fund management company must obtain authorization from the supervisory authority.

**X. Amendments to the investment fund contract**

**Article 26**

If amendments are made to this investment fund contract, or if a merger of unit classes or a change in the fund management company or of the custodian bank is planned, the investor may lodge objections with the supervisory authority within 30 days of the last publication in this regard. The fund management company will notify the investors, in the publication, of the amendments to the fund contract to which the audit extends and the establishment of legal compliance by FINMA. In the event of an amendment to the investment fund contract (including consolidation of unit classes), the investors may also request the redemption of their units in cash subject to the contractual period of notice. Those cases pursuant to Article 23.2 that have been released from their duties regarding publication with the approval of the supervisory authority are exempt from this provision.

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

**Article 27**

1. The umbrella fund and the individual subfunds are subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (**CISA**), the Ordinance on Collective Investment Schemes of 22 November 2006 (**CISO**), and the Ordinance of the Swiss Financial Market Supervisory Authority FINMA on Collective Investment Schemes of 27 August 2014 (**CISO-FINMA**).

The place of jurisdiction is the court at the fund management company's registered office.

2. The French version is binding for the interpretation of this investment fund contract.
3. The present fund contract takes effect on 15 February 2016.
4. The present fund contract replaces the fund contract dated 26 November 2015.
5. When the fund contract is approved, FINMA will review the provisions exclusively within the meaning of Art. 35a para. 1 lit. a-g OPCC and verify their compliance with the law.

Fund management company

Custodian bank

**VONTOBEL FONDS SERVICES AG**      **RBC INVESTOR SERVICES BANK SA,  
ESCH-SUR-ALZETTE,  
ZURICH BRANCH**