

# MULTICOOPERATION SICAV

A SICAV UNDER LUXEMBOURG LAW

## PROSPECTUS

**GENERAL PART: 31 MARCH 2021**

Special Part A	10 March 2021
Special Part C	10 March 2021
Special Part I	10 March 2021

Subscriptions are validly made only on the basis of this prospectus or the Key Investor Information Document in conjunction with the most recent annual report and the most recent semi-annual report where this is published after the annual report.

No information other than that contained in this prospectus or the Key Investor Information Document may be given.



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## **II. Special Parts**

### **1. Special Part A:**

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### **2. Special Part C:**

Multicooperation SICAV – GAM COMMODITY

### **3. Special Part I:**

Multicooperation SICAV – GAM MULTI ASSET STRATEGIC ALLOCATION

## 1. INTRODUCTION

MULTICOOPERATION SICAV ("the Company" or "MULTICOOPERATION SICAV") is a "*société d'investissement à capital variable*" (SICAV) established in accordance with the Luxembourg law of 10 August 1915 in its current version ("the 1915 Law") and is authorised as an undertaking for collective investments in transferable securities (UCITS) under Part I of the law dated 17 December 2010 ("the 2010 Law").

The Company has an "umbrella structure", which means that various subfunds ("Subfunds") can be created reflecting different investment portfolios, and that can be issued in different categories of shares. The Company is authorised to appoint different specialist financial service advisers, each acting under the supervision of the Board of Directors (as described in the section "General Information on Investment Advice and/or Investment Management"), as investment advisers and/or investment managers for one or more Subfunds.

This prospectus consists of a general part ("General Part") containing all provisions applicable to all Subfunds, and special parts ("Special Part") describing the Subfunds and containing any provisions applicable to them. The complete prospectus contains all Subfunds in the Special Parts and is available for inspection by the shareholders at the registered office of the Company. The prospectus may be amended or supplemented at any time. In this case, the shareholders will be informed accordingly.

In addition to the General and Special Parts of the prospectus, a key investor information document will be produced for each share category and handed to each purchaser before he/she subscribes to shares ("Key Investor Information Document"). Once the Key Investor Information Document exists, by subscribing the Shares, each purchaser declares that he/she has received said Key Investor Information Document prior to effecting the subscription.

Under the 2010 Law, the Company is authorised to produce one or more special prospectuses for the distribution of shares in one or more Subfunds or for one specific distribution country. The special prospectuses always include the General Part and the relevant Special Part or Parts. It also contains, if applicable, additional provisions relating to the country in which the Subfund(s) in question is/are authorised for public offering and are distributed.

The Board of Directors of the Company is authorised to issue investment shares ("Shares") without par value relating to the relevant Subfunds described in the Special Parts. Both distributing and accumulating Shares ("Share Category") can be issued for each Subfund. In addition, the Company may issue Share Categories with different minimum subscriptions, dividend policies and fee structures. The respective Share Categories issued for the individual Subfunds are defined in the relevant Special Part of the Subfund in question. The Company may limit the distribution of Shares in a certain Subfund or Share Category to certain countries. Furthermore, the above mentioned Share Categories can be set-up in different currencies.

Shares are issued at prices quoted in the investing currency of the Subfund in question or, if applicable, in the currency of the Share Category in question. As described in the Special Parts, a selling fee may be charged. Details of the subscription period and the terms and conditions for the initial issue of each Subfund are given in the Special Part.

The Company may issue Shares in new, additional Subfunds at any time. The complete prospectus and, where applicable, the relevant special prospectuses will be amended accordingly.

Investors may purchase Shares either directly from the Company or via an intermediary acting in its own name but for the investor's account. In the latter case, an investor may not necessarily be able to assert all his/her investor's rights directly against the Company. For details, reference is made to the section "Issue of Shares / Application procedure", under "Nominee Service".

Shares may be redeemed at a price described in the section "Redemption of Shares".

**Subscriptions are only accepted on the basis of the valid prospectus or the valid Key Investor Information Document in conjunction with (i) the most recent annual report of the Company or (ii) the most recent semi-annual report where this is published after the annual report.**

The Shares are offered on the basis of the information and descriptions contained in this prospectus, the Key Investor Information Document and the documents referred to in it. Other information or descriptions by any persons must be regarded as being unreliable.

This prospectus, the Key Investor Information Document and any special prospectuses do not constitute an offer or advertisement in those jurisdictions where such an offer or advertisement is prohibited, or in which persons making such offer or advertisement are not authorised to do so, or in which the law is infringed if persons receive such offer or advertisement.

Because Shares in the Company are not registered in the USA in accordance with the United States Securities Act of 1933, they may neither be offered nor sold in the USA including the dependent territories unless such offer or such sale is permitted by way of an exemption from registration in accordance with United States Securities Act of 1933.

In general, shares in the Company may neither be offered, nor sold nor transferred to persons engaging in transactions within the scope of any US American defined benefit plan. Exceptions hereto are possible, provided the Board of Directors of the Company has issued a corresponding special authorization for it. In this sense, a "defined benefit pension plan" means any (i) "defined benefit pension plan for employees", within the meaning of Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to the provisions of Part 4 of Title I of ERISA, (ii) individual retirement account, Keogh Plan or other plan described in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended, (iii) entity whose underlying assets include "plan assets" by reason of 25% or more of any class of equity interest in the entity being held by plans described in (i) and (ii) above, or (iv) other entity (such as segregated or common accounts of an insurance company, a corporate group or a common trust) whose underlying assets include "plan assets" by reason of an investment in the entity by plans described in (i) and (ii) above. Should investors participating in a defined benefit pension plan hold more than 25% of a share category, the company's assets shall be considered, in accordance with ERISA, "plan assets", which could have an adverse effect on the Company and its shareholders. In this case, the Company may, if appropriate, require the compulsory redemption of the shares affected.

**Potential purchasers of Shares are responsible for informing themselves on the relevant foreign exchange regulations and on the legal and tax regulations applicable to them.**

The information in this prospectus and each special prospectus is in accordance with the current law and rules and regulations of the Grand Duchy of Luxembourg, and is thus subject to alterations

In this prospectus, figures in "AUD" refer to the currency of Australia; "Swiss Francs" or "CHF" to the currency of Switzerland; "DKK" to the currency of Denmark; "US Dollars", "Dollars" or "USD" to the currency of the United States of America; "Euro" or "EUR" to the currency of the European Economic and Monetary Union; "£ Sterling" or "GBP" to the currency of Great Britain; "Japanese Yen" or "JPY" to the currency of Japan; "NOK" to the currency of Norway; "SEK" to the currency of Sweden and "SGD" or "Singapore Dollar" to the currency of Singapore.

The individual Share Categories can be listed on the Luxembourg Stock Exchange.

## 2. ORGANISATION AND MANAGEMENT

The Company's registered office is at 25, Grand-Rue, L-1661 Luxembourg.

### BOARD OF DIRECTORS OF THE COMPANY

#### CHAIRMAN:

Martin Jufer	Region Head Continental Europe, GAM Investment Management (Switzerland) AG, Zurich
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#### MEMBERS:

Jean-Michel Loehr	Independent Director, Luxembourg
Me Freddy Brausch	Independent Director, Partner of Linklaters LLP, Luxembourg
Florian Heeren	General Counsel Continental Europe, GAM Investment Management (Switzerland) AG, Zurich
Martin Jürg Peter	Client Director Team Head (Private Labelling), Member of the Executive Board, GAM Investment Management (Switzerland) AG, Zurich

### MANAGEMENT COMPANY

GAM (Luxembourg) S.A., 25, Grand-Rue, L-1661 Luxembourg

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

#### CHAIRMAN:

Martin Jufer	Region Head Continental Europe, GAM Investment Management (Switzerland) AG, Zurich
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#### MEMBERS:

Yvon Lauret	Independent Director, Luxembourg
Elmar Zumbühl	Member of the Group Management Board, GAM Group
Dirk Kubisch	COO Sales and Distribution, GAM Investment Management (Switzerland) AG, Zurich

### MANAGING DIRECTORS OF THE MANAGEMENT COMPANY

Stefano Canossa	Managing Director, GAM (Luxembourg) S.A., Luxembourg
Johannes Höring	Managing Director, GAM (Luxembourg) S.A., Luxembourg
Steve Kieffer	Managing Director, GAM (Luxembourg) S.A., Luxembourg

### CUSTODIAN BANK, CENTRAL ADMINISTRATION, PRINCIPAL PAYING AGENT, REGISTRAR AND TRANSFER AGENT

State Street Bank International GmbH, Luxembourg Branch, 49, Avenue J.F. Kennedy, L-1855 Luxembourg



**DISTRIBUTORS**

The Company, respectively the Management Company, has appointed Distributors and may appoint additional Distributors to sell Shares in various legal jurisdictions.

**AUDITOR OF ANNUAL REPORT**

PricewaterhouseCoopers Société coopérative, 2 rue Gerhard Mercator, L-2182 Luxembourg has been appointed auditor of the accounts.

**LEGAL ADVISER**

Linklaters LLP, 35, Avenue John F. Kennedy, L-1855 Luxembourg is the legal adviser of the Company in Luxembourg.

**SUPERVISORY AUTHORITY IN LUXEMBOURG**

Commission de Surveillance du Secteur Financier ("CSSF"), 283, route d'Arlon, L-1150 Luxembourg

Further information and documents on the Company and the individual Subfunds may also be consulted on the website [www.funds.gam.com](http://www.funds.gam.com), on which investors can also find a form for submitting complaints.

Supplementary information on the organisation of the individual Subfunds can be contained in the respective Special Part.

### 3. INVESTMENT OBJECTIVES AND POLICY

The investment objectives of the Board of Directors in relation to each individual Subfund are described in the Special Part, in the section "Investment objectives and policy".

Where this prospectus, and the Special Parts in particular, refer to a "recognised country", this means a member state of the Organization for Economic Cooperation and Development ("OECD") and all other countries of Europe, North and South America, Africa, Asia and of the Pacific Rim (hereinafter "recognised country"). A regulated market is a market which is recognised and open to the public, and whose operation is properly regulated (hereafter "regulated market").

Further, the Subfunds will, in the pursuit of the investment objectives as described in the section "**Special investment techniques and financial instruments**", employ investment techniques and financial instruments in compliance with the guidelines and limits set according to Luxembourg law.

**Although the Company will do its utmost to achieve the investment objectives of each Subfund, there can be no guarantee to which extent these objectives will be achieved. Consequently, the net asset values of the Shares may increase or decrease and different levels of positive as well as negative income may be earned.**

**Consequently, a Shareholder runs the risk that he/she may not recover the amount originally invested. Depending on the orientation of the individual Subfunds this risk may differ from Subfund to Subfund. It should also be noted that there are increased risks in relation to the settlement of the Company's securities transactions, above all the risk that the securities may be delivered late or not at all. Currency risks may also arise for shareholders whose reference currency differs from the investment currency of a Subfund. The following description of the Subfunds shall not be construed as a recommendation to acquire Shares in a particular Subfund. Rather, each shareholder should consult his/her financial adviser regarding the acquisition of Shares in the Company and the selection among the Subfunds and their Share Categories.**

The performance of the individual Subfunds is set out in the Key Investor Information Document.

### 4. INVESTOR PROFILE

The investor profile of each Subfund is described in the relevant Special Part of the prospectus.

### 5. INVESTMENT LIMITS

#### 1. INVESTMENTS IN SECURITIES, MONEY MARKET INSTRUMENTS, DEPOSITS AND DERIVATIVES

These investments comprise:

(a) Transferable securities and money market instruments:

- which are listed or traded on a regulated market (within the meaning of Directive 2004/39/EC);
- which are dealt in on another regulated market in a member state of the European Union ("EU") which is recognised, open to the public and operates regularly;
- which are admitted to official listing on a stock exchange in a non-EU state<sup>1</sup> or are traded on another regulated market of a non-EU state which is recognised, open to the public and operates regularly;
- resulting from new issues, provided the terms of issue contain an undertaking to apply for official listing on a stock exchange or another regulated market which is recognised, open to the public and operates regularly, and that the admission will be obtained within one year of the issue.

<sup>1</sup> As used in the Directive 2009/65/EC, a non-EU state is a country which is not a member of the EU.

- (b) Sight deposits or deposits repayable on demand maturing in no more than 12 months with qualified credit institutions whose registered office is located in a member state of the EU or in a member state of the OECD or in a country with equivalent money-laundering regulations ("qualified credit institutions").
- (c) Derivatives, including equivalent cash-settled instruments, which are dealt in on a regulated market as specified in (a), first, second or third indent, and/or OTC (over the counter) derivatives provided that:
  - the underlying securities are instruments as defined by Article 41 para. 1 of the 2010 Law or are financial indices, interest rates, foreign exchange rates or currencies in which the Subfund may invest according to its investment objectives;
  - the counterparties in transactions with OTC derivatives are institutions subject to supervision belonging to the categories approved by the Commission de Surveillance du Secteur Financier (CSSF); and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at the initiative of the Company at their fair value.
- (d) Shares in UCITS authorised in accordance with Directive 2009/65/EC and/or other UCIs within the meaning of Article 1 (2), first and second indent of Directive 2009/65/EC having their registered office in a member state of the EU or a non-EU state, provided that:
  - such other UCIs are authorised in accordance with legal requirements which submit them to prudential supervision considered by the CSSF to be equivalent to that under the EU Community law and that there is sufficient guarantee of cooperation between the authorities;
  - the level of protection for unitholders of such other UCIs is equivalent to the level of protection for unitholders of a UCITS and in particular that the requirements for segregation of the fund's assets, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business activities of the other UCIs are subject to semi-annual and annual reports which enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - the UCITS or this other UCI, whose units are to be acquired, may, according to its constitutional documents, invest in total no more than 10% of its net asset value in units of other UCITS or other UCIs.

If the Company purchases units in other UCITS and/or other UCIs which are managed directly or indirectly by the same Management Company or by another company to which the Management Company is linked by common administration or control or by a significant direct or indirect shareholding, the Management Company or the other company may not charge the Company any fees for subscription or redemption of shares in other UCITS and/or UCI.

A Subfund may invest in other Subfunds of the Company, subject to the prerequisites laid down in Article 181 paragraph 8 of the 2010 Law.

- (e) Money market instruments which are not traded on a regulated market and fall under the definition of Article 1 of the 2010 Law, provided the issue or issuer of these instruments is itself subject to regulations concerning the protection of savings and investors, and provided:
  - they are issued or guaranteed by a central governmental, regional or local authority or the central bank of an EU member state, the European Central Bank, the EU or the European Investment Bank, a non-EU state or, in the case of a Federal State, one of the members making up the federation, or by a public international institution to which at least one EU member state belongs; or
  - they are issued by an undertaking whose securities are traded on the regulated markets designated in 1. (a); or

- they are issued or guaranteed by an establishment subject to supervision in accordance with the criteria defined by EU Community law, or by an institution which is subject to and complies with prudential rules which in the opinion of the CSSF are at least as stringent as those under EU Community law; or
  - they are issued by other issuers belonging to a category approved by the CSSF provided such instruments are subject to investor protection regulations which are equivalent to those of the first, second or third indent and provided the issuer is either a company with own funds of at least ten (10) million Euro which presents and publishes its annual accounts in accordance with the provisions of the 4th Directive 78/660/EEC, or an entity within a group comprising one or more companies listed on an official stock exchange which is dedicated to the financing of that group, or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (f) However:
- the Company may invest no more than 10% of the net asset value per Subfund in transferable securities and money market instruments other than those referred to in (a) to (e);
  - the Company may not acquire precious metals or certificates representing them.
- (g) The Company may hold ancillary liquid assets.

## 2. INVESTMENT RESTRICTIONS

- (a) The Company may invest not more than 10% of the net asset value of each Subfund in transferable securities or money market instruments of one and the same issuer. The Company may invest no more than 20% of the net asset value of each Subfund in deposits made with one and the same institution.

The risk exposure to counterparty in OTC-derivatives transactions by the Company must not exceed the following percentages:

- 10% of the net asset value of each Subfund when the counterparty is a qualified credit institution;
- and otherwise 5% of the net asset value of each Subfund.

In the case of UCITS, the aggregate risk exposure is determined either by using the Commitment Approach or by means of a model approach (Value-at-Risk model), which takes into account all general and specific market risks that may lead to a significant change in the value of the portfolio. If the Commitment Approach is used, the aggregate risk associated with derivatives (market risk) of each Subfund must not exceed the net asset value of the Subfund concerned. If a Subfund uses a Value-at-Risk (VaR) method to calculate its aggregate risk, the calculation of the VaR is based on a 99% confidence interval. The holding period corresponds to one month (20 days) for the purpose of calculating the aggregate risk.

The aggregate risk is calculated for the respective Subfund, either using the Commitment Approach or according to the VaR model (absolute or relative VaR with the corresponding benchmark) as listed in the table below.

Subfunds	Relative VaR / Absolute VaR / Commitment	Benchmark used to calculate the risk exposure (only in case of relative VaR)
ADAGIO (LUX) – KONSERVATIV	Commitment	n/a
ALLEGRO (LUX) – DYNAMISCH	Commitment	n/a
GAM COMMODITY	relative VaR	Bloomberg Commodity Index
GAM MULTI ASSET STRATEGIC ALLOCATION	Absolute VaR	n/a
JULIUS BAER ASIA REITS	Commitment	n/a

Subfunds	Relative VaR / Absolute VaR / Commitment	Benchmark used to calculate the risk exposure (only in case of relative VaR)
JULIUS BAER DYNAMIC ASSET ALLOCATION	Commitment	n/a
JULIUS BAER EQUITY FUND SPECIAL VALUE	Commitment	n/a
JULIUS BAER EQUITY ASIA	Commitment	n/a
JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE	Commitment	n/a
JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA	Commitment	n/a
JULIUS BAER EQUITY NEXT GENERATION	Commitment	n/a
JULIUS BAER EQUITY SUSTAINABILITY	Commitment	n/a
JULIUS BAER FIXED INCOME ASIA	Commitment	n/a
JULIUS BAER FIXED MATURITY 2024 ASIA	Commitment	n/a
JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS	Commitment	n/a
JULIUS BAER GLOBAL EXCELLENCE EQUITY	Commitment	n/a
JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED	Commitment	n/a
JULIUS BAER STRATEGY BALANCED (CHF)	Commitment	n/a
JULIUS BAER STRATEGY BALANCED (EUR)	Commitment	n/a
JULIUS BAER STRATEGY BALANCED (USD)	Commitment	n/a
JULIUS BAER STRATEGY GROWTH (CHF)	Commitment	n/a
JULIUS BAER STRATEGY GROWTH (EUR)	Commitment	n/a
JULIUS BAER STRATEGY INCOME (CHF)	Commitment	n/a
JULIUS BAER STRATEGY INCOME (EUR)	Commitment	n/a
JULIUS BAER STRATEGY INCOME (USD)	Commitment	n/a
JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE	Commitment	n/a
JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD)	Commitment	n/a
JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR)	Commitment	n/a
JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD	Commitment	n/a
VIVACE (LUX) – AUSGEWOGEN	Commitment	n/a

- The aggregate risk of the underlying instruments must not exceed the investment limits set out in (a) to (f). The underlying instruments of index-based derivatives do not have to be taken into account when calculating these investment limits. However, if a derivative is embedded in a transferable security or money market instrument, it must be taken into account for the purpose of the provisions of this section.
- (b) The total value of the issuers' securities and money market instruments in which a Subfund invests more than 5% of its net asset value must not exceed 40% of its net asset value. This limitation does not apply to deposits or OTC derivative transactions made with financial institutions subject to prudential supervision.
- (c) Irrespective of the individual maximum limits under (a), a Subfund may invest no more than 20% of its net asset value with a single institution in a combination of:
- transferable securities or money market instruments issued by this institution and/or
  - deposits made with this institution and/or
  - OTC derivatives transactions undertaken with this institution.
- (d) The limit stated in (a), first sentence, is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or by its public local authorities, by a non-EU state or by public international institutions of which at least one EU member state is a member.
- (e) The limit stated in (a), first sentence, is raised to 25% for certain debt securities when they are issued by a credit institution with its registered office in an EU member state which is subject, by law, to special

prudential supervision designed to protect investors in debt securities. In particular, sums deriving from the issue of these debt securities must be invested in conformity with the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in case of failure of the issuer, would be used on a priority basis for the repayment of principal and of the accrued interest.

If a Subfund invests more than 5% of its net asset value in the debt securities referred to in the above paragraph and which are issued by a single issuer, the total value of such investments may not exceed 80% of the net asset value of the Subfund concerned.

- (f) The transferable securities and money market instruments mentioned in (d) and (e) are not taken into account in the calculation of the limit of 40% referred to in (b).

The limits stated in (a) to (e) may not be combined, and thus investments in accordance with (a) to (e) in transferable securities or money market instruments of one and the same issuer or in deposits with the said issuer or in derivatives made with that issuer may not exceed a total of 35% of the net asset value of a Subfund.

Companies which are included in the same group for the purpose of consolidated accounts as defined in the Directive 83/349/EEC or in accordance with recognised international accounting rules are regarded as a single issuer for the purpose of calculating the aforementioned limits.

The investments by a Subfund in transferable securities and money market instruments within the same group may cumulatively not exceed 20% of its net asset value, without prejudice to paragraph (e) above.

- (g) **Notwithstanding points (a) to (f), the Company is authorised in accordance with the principle of risk diversification to invest up to 100% of a Subfund's net asset value in securities and money market instruments from different issues, which are issued or guaranteed by an EU member state or by its local authorities, by a member state of the OECD or by public international organisations of which at least one EU member state is a member, provided, however, that the Subfund must hold securities and money market instruments of at least six different issues, whereby the securities and money market instruments of each single issue may not account for more than 30% of the net asset value of the Subfund concerned.**

- (h) Without prejudice to the limits laid down in (j), the limits laid down in (a) for investments in shares and/or debt securities issued by the same issuer may be raised to a maximum of 20% when the investment strategy of the Subfund is to replicate the composition of a certain stock or debt securities index recognised by CSSF. This depends on the following conditions:

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

The limit laid down in the previous paragraph is raised to 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- (i) A Subfund may acquire units of target funds as defined in 5.1 (d) above for a maximum of 10% of its net asset value if no investments in target funds in excess of this limit are permitted in the respective Special Part of the prospectus. If a Special Part of the prospectus permits investments in target funds for more than 10% of the net asset value of a Subfund, the Subfund may not, however
- invest more than 20% of its net asset value in one and the same target fund; and
  - invest more than 30% of its net asset value in units of target funds that are not UCITS.

When applying these investment limits, each Subfund of a target fund is to be regarded as an independent issuer.

(j)

- (A) The Company or the Management Company acting in connection with all of the investment funds which it manages and which qualify as a UCITS may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuer.
- (B) Moreover, the Company may acquire for the respective Subfund no more than:
  - 10% of the non-voting shares from the same issuer;
  - 10% of debt securities from the same issuer;
  - 25% of the units of the same target fund;
  - 10% of the money market instruments of any single issuer.

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

Paragraphs (A) and (B) shall not apply:

- to transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- to transferable securities and money market instruments issued or guaranteed by a non-EU state;
- to transferable securities and money market instruments issued by public international institutions of which one or more EU member states are members;
- to shares held by the Company in the capital of a company incorporated in a non-EU state which invests its assets mainly in the securities of issuers having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuers of that state. This derogation, however, shall only apply if in its investment policy the company from the non-EU state complies with the limits laid down in (a) to (f) and (i) and (j) (A) and (B). Where the limits set in (a) to (f) and (i) are exceeded, (k) shall mutatis mutandis apply;
- to shares held by the Company alone or together with other UCIs in the capital of subsidiary companies which, exclusively on its own or their behalf, carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of investors.

(k)

- (A) The Company need not comply with the limits laid down herein when exercising subscription rights attaching to transferable securities and money market instruments which form part of its assets. While ensuring observance of the principle of risk diversification, each Subfund may derogate from the rules set out in (a) to (h) for a period of six months following the date of its admission.
- (B) If the Company exceeds the limits referred to in (A) for reasons beyond its control or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

(l)

- (A) The Company may not borrow. However, the Company may acquire foreign currencies by means of a "back-to-back" loan.
- (B) By way of derogation from paragraph (A), the Company may per Subfund (i) borrow up to 10% of its net asset value for a Subfund provided that the borrowing is on a temporary basis, and (ii) borrow up to 10% of its net asset value provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of its business; in no case may

such borrowings and those referred to in (i) together exceed 15% of the net asset value concerned.

- (m) The Company and the custodian bank may not grant loans or act as guarantor for third parties for the account of the Subfund, without prejudice to points (a) to (e) under point 1. This shall not prevent the Company from acquiring transferable securities or money market instruments or shares in target funds or financial instruments referred to in (c) and (e) under point 1 which are not fully paid.
- (n) The Company and the custodian bank may not carry out uncovered sales of transferable securities, money market instruments, shares in target funds or financial instruments referred to in (c) and (e) under point 1.
- (o) The Company may hold liquid assets, which under certain circumstances can be increased to up to 49% of the assets of the relevant Subfund.

### **3. FURTHER INVESTMENT GUIDELINES**

- (a) The Company will not acquire securities which entail unlimited liability.
- (b) The fund's assets must not be invested in real estate, in precious metals or in precious metal contracts where physical delivery may take place.
- (c) The Company can implement further investment restrictions in order to comply with the requirements in countries in which Shares shall be offered for sale.

## **6. SPECIAL INVESTMENT TECHNIQUES AND FINANCIAL INSTRUMENTS**

In the interests of efficient management or for hedging purposes, the Company may make use of the following investment techniques and financial instruments for each Subfund. It may also use derivative financial instruments for investment purposes if appropriate provision is made for this in the Special Part of the full prospectus. It must at all times comply with the investment restrictions stated in Part I of the 2010 Law and in the section "Investment limits" in this prospectus, and must in particular be aware of the fact that the underlying of derivative financial instruments and structured products used by each Subfunds have to be taken into account in the calculation of the investment limits stated in the previous section. The Company will at all times observe the requirements of CSSF ordinance 10-04 and the Luxembourg regulations issued periodically when using special investment techniques and financial instruments. In respect of each Subfund the Company will also take into account the requirement to maintain an appropriate level of liquidity when employing special investment techniques and financial instruments (particularly in the case of derivatives and structured products).

### **6.1. OPTIONS ON SECURITIES**

The Company may, for each Subfund and regarding the permitted investments, buy and sell call or put options as long as they are traded on a regulated market, or over the counter (OTC) options, provided the counterparties of such transactions are first class financial institutions specialising in transactions of this kind.

### **6.2. FINANCIAL FUTURES, SWAPS AND OPTIONS ON FINANCIAL INSTRUMENTS**

Subject to the exceptions mentioned below, futures and options on financial instruments are, as a matter of principle, limited to contracts traded on regulated markets. OTC derivatives may only be concluded if the counterparties are first class financial institutions which specialise in transactions of this kind.

#### **a) HEDGES AGAINST MARKET RISKS AND RISKS ASSOCIATED WITH STOCK MARKET PERFORMANCE**

For the purpose of hedging against poor market performance, the Company may, for each Subfund, sell forward transactions and call options on share price indexes, bond market indexes or other indexes or financial instruments or buy put options on share price indexes, bond market indexes or other indexes or buy financial instruments or enter into swaps in which the payments between the Company and the counterparty depend on the development of certain share price indexes, bond market indexes or other indexes or financial instruments.



As these call and put transactions are for hedging purposes, there must be a sufficient correlation between the structure of the securities portfolio to be hedged and the composition of the stock index employed.

**b) HEDGES AGAINST INTEREST RATE RISKS**

For the purpose of hedging against the risks associated with changes in interest rates, the Company may sell interest rate futures and call options on interest rates, buy put options on interest rates and enter into interest rate swaps, forward rate agreements and options on interest rate swaps (swaptions) with first class financial institutions specialising in transactions of this kind as part of OTC transactions for each Subfund.

**c) HEDGES AGAINST INFLATION RISKS**

For the purpose of hedging against risks resulting from an unexpected acceleration of inflation, the Company may conclude so-called inflation swaps with first class financial institutions specialising in this type of transaction as part of OTC transactions or make use of other instruments to hedge against inflation for each Subfund.

**d) HEDGES AGAINST CREDIT DEFAULT RISK AND THE RISK OF A DETERIORATION IN A BORROWER'S CREDIT STANDING**

For the purpose of hedging against credit default risk and the risk of losses owing to a deterioration in the borrower's credit standing, the Company may engage in credit options, credit spread swaps ("CSS"), credit default swaps ("CDS"), CDS (index) baskets, credit-linked total return swaps and similar credit derivatives with first class financial institutions specialising in transactions of this kind as part of OTC transactions for each Subfund.

**e) NON-HEDGING TRANSACTIONS ("ACTIVE MANAGEMENT")**

For each Subfund, the Company may use financial derivatives for the purposes of efficient portfolio management. For instance, it may buy and sell forward contracts and options on all types of financial instruments and use derivatives with a view to managing currency fluctuations.

The Company can also enter into interest and credit swaps (interest rate swaps, credit spread swaps ("CSS"), credit default swaps ("CDS"), CDS (index) baskets, etc.), inflation swaps, options on interest rate and credit swaps (swaptions), but also swaps, options or other transactions in financial derivatives in which the Company and the counterparty agree to swap performance and/or income (total return swaps, etc.) for each Subfund. This also comprises contracts for difference – ("CFD"). A contract for difference is a contract between two parties - the buyer and the seller - which stipulates that the seller will pay the buyer the difference between the current value of an asset (a security, instrument, basket of securities or index) and its value at the time the contract is concluded. If the difference is negative, the buyer owes the seller the (corresponding) payment. Contracts for difference allow investors to take synthetic long or short positions with a variable collateral provision, where - unlike with futures contracts - the maturity date and the size of the contract are not fixed. The counterparties must be first class financial institutions which specialise in such transactions.

**f) SECURITIES FORWARD SETTLEMENT TRANSACTIONS**

In the interests of efficient management or for hedging purposes, the Company may conclude forward transactions with broker/dealers acting as market makers in such transactions, provided they are first class financial institutions specialising in transactions of this kind and participate in the OTC markets. The transactions in question include the purchase or sale of securities at their current price; delivery and settlement then take place on a later date that is fixed in advance.

Within an appropriate period in advance of the transaction settlement date, the Company can arrange with the broker/dealer either for it to sell or buy back the securities or for it to extend the time limit, all realised profits or losses from the transaction being paid to the broker/dealer or paid by it to the Company. However, the Company concludes purchase transactions with the intention of acquiring the securities in question.

The Company can pay the normal charges contained in the price of the securities to the broker/dealer in order to finance the costs incurred by the broker/dealer because of the later settlement.

**6.3. EFFICIENT PORTFOLIO MANAGEMENT - OTHER INVESTMENT TECHNIQUES AND INSTRUMENTS**

In addition to investments in derivative financial instruments, the Company may in accordance with the conditions of CSSF Circular 08/356 (as amended, and any superseding circular) and the guidelines of the European

Securities and Markets Authority ESMA/2012/832, which was implemented in Luxembourg by Circular 13/559 (as last amended by the CSSF Circular 14/592), as well as any other guidelines issued on this subject, use other investment techniques and instruments involving securities and money market instruments such as securities repurchase agreements (securities repurchase and reverse repurchase agreements) and securities lending transactions involving securities or money market instruments and that are used for the purpose of efficient portfolio management, including derivative financial instruments not used for direct investment purposes, provided they meet the following criteria:

- a) they are economically appropriate insofar as they are used in a cost-effective manner;
- b) they are used with one or more of the following specific objectives:
  - i. Risk reduction;
  - ii. Cost reduction;
  - iii. Generation of additional capital or income for the Company, coupled with a risk that is compatible with the risk profile of the Company and the relevant subfunds of the Company as well as the risk diversification rules applicable to them;
- c) their risks are adequately documented through the Company's risk management procedures; and
- d) they must not result in a change in the stated investment objective of the subfund or be coupled with significant additional risks compared with the general risk strategy described in the prospectus or Key Investor Information Document.

The techniques and instruments available for the purpose of efficient portfolio management are explained in the following section and are subject to the conditions described below.

Furthermore, such transactions may be conducted in relation to 100% of the assets held by the subfund concerned, provided (i) they remain on an appropriate scale or the Company is entitled to demand the return of the loaned securities to ensure that it is in a position to meet its redemption obligations at all times and (ii) such transactions do not jeopardise the management of the assets of the Company in accordance with the investment policy of the subfund concerned. Risk is monitored in accordance with the Company's risk management procedures.

The use of efficient portfolio management can have a negative effect on shareholder returns.

Efficient portfolio management can result in direct and indirect operating costs that are deductible from income. These costs will not contain any hidden fees.

It shall also be ensured that efficient portfolio management does not result in conflicts of interest that are detrimental to the investors.

#### **6.4. SECURITIES LENDING**

##### **GENERAL INFORMATION**

For the purpose of generating additional capital or income, or to reduce costs and risks, the Company is permitted, on the basis of a standardised system and taking into account the provisions of the CSSF Circular 08/356 (as amended, and any superseding circular) and the guidelines of the European Securities and Markets Authority ESMA/2012/832, as well as any other guidelines issued on this subject, to lend securities of a Subfund to third parties (up to a maximum of 100% of the estimated total value of the instruments of the Subfund, provided the Company has the right to terminate the contract at any time and recover the lent securities), although such transactions may only be carried out by recognised clearing houses such as Euroclear or Clearstream SA or other recognised national clearing houses or using highly rated financial institutions specialised in transactions of this kind, and according to their terms of business. The counterparty to the securities lending agreement must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU Community law. The rights to refund must in principle be protected by collateral security to a value which at the time the contract is entered into and throughout the lending term at least corresponds to the estimated total value of the relevant lent securities; this can be done through the provision of collateral security in the form of fixed-term deposits or securities which are issued or guaranteed by OECD

member states, their local authorities or institutions of a supranational or regional character, or by other highly rated issuers, or else through the provision of collateral security in the form of shares in highly rated companies (on condition that hedging is provided against any fall in price between the time the collateral security is created and the time the lent security in question is returned), with such collateral security remaining blocked, on behalf of the Company, until expiry of the applicable securities lending transaction.

The Company must have the right to terminate securities lending transactions it has entered into or to demand the return of some or all of the loaned securities at any time.

All income from efficient portfolio management techniques, after deduction of direct and indirect operating costs/fees, must be refunded to the subfund concerned.

The associated services, such as in particular the Custodian Bank, Lending Agent, indemnification, consisting of a minimum amount and a percentage participation, as well as compensation for risk and collateral management, legal and IT support to the Management Company, are paid for out of the gross income from securities lending. The Management Company ensures that only prevailing market costs are applied. The rest of the income is credited in full to the subfund concerned.

The Company furthermore ensures that the volume of securities lending transactions is kept at an appropriate level, or that the Company is entitled to request the return of the loaned securities in a manner that enables it to meet its redemption obligations at any time and that these transactions do not jeopardise the management of the assets of the subfunds in accordance with their investment policy.

The risk exposure vis-à-vis the counterparty as a result of securities lending transactions and OTC financial derivatives shall be combined for the purpose of calculating counterparty risk in accordance with the section "Risks in connection with the use of derivatives and other special investment techniques and financial instruments".

Accepted non-cash collateral may not be sold, reinvested or pledged during the term of the transaction. Accepted cash collateral may only be

- invested as sight deposits with credit institutions in accordance with Article 50 f) of the UCITS directive;
- invested in high-quality government bonds;
- used for reverse repurchase agreements provided they comprise transactions with credit institutions that are subject to supervision and the Company can demand the return of the full amount accrued at any time;
- invested in money market funds with a short maturity structure in accordance with the definition in the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 for money market funds ("Money Market Fund Regulation").

Newly invested cash collateral must be diversified in accordance with the diversification requirements for non-cash collateral.

Please refer to the chapter "Risks related to the use of derivatives and other specific investment techniques and financial instruments" for further risk indicators.

**REGULATION (EU) 2015 / 2365 ON TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND REUSE AND AMENDING REGULATION (EU) No 648 / 2012**

Unless otherwise stated, the maximum proportion of a Subfund's assets that can be subject to Securities Lending is maximum 60% of that Subfund's Net Asset Value.

The types of assets that can be subject to Securities Lending transactions are those where such use is consistent with the investment policy of the relevant Subfund. The revenue received by the respective Subfund arising from Securities Lending transactions is specified in the Company's semi-annual and annual reports.

**INFORMATION ON EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES SPECIFIC TO THE SUBFUNDS**

The table below explains the basic features of the efficient portfolio management techniques used by the Subfunds, excluding the use of financial derivatives, which are described in the relevant Subfund's investment strategy description.

**EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUE:** securities lending, repo or reverse repo. If more than one technique is used by a Subfund, each of these techniques will be listed in a separate line.

**CONDITIONS OF USE:** Explains how and under which conditions the described efficient portfolio management technique will be applied. The application may be either continuous or temporary or have other parameters. "Continuous" does not mean that the Investment Manager is obliged to apply such efficient portfolio management technique on a permanent basis.

**MAXIMUM AMOUNT:** The maximum ratio of the Net Asset Value of the Subfund to which the relevant efficient portfolio management technique may be applied at any one time.

**EXPECTED AMOUNT:** The expected ratio of the Subfund's Net Asset Value which may be simultaneously subjected to the relevant efficient portfolio management technique. This amount is not binding on the Investment Manager and is based on previous financial years.

**EXPECTED GROSS INCOME:** The ratio of the gross income from the efficient portfolio management technique that will be paid to the Subfund. The allocation of gross income is disclosed in the Company's annual reports. The Company, together with the Investment Manager(s), has appointed State Street Bank as Lending Agent for the Subfunds undertaking securities lending transactions. It is anticipated that 20% of gross income will be paid to the Lending Agent, 5% will be used to cover the Custodian's costs and fees and 4% will be used to cover the Management Company's costs. All operation costs / fees of the procedure will be paid from the Lending Agent's, Custodian's and Management Company's share of the gross proceeds (29%). This includes all direct and indirect costs/fees incurred by the securities lending transactions.

The Lending Agent is a related party to the Custodian.

Name of the Subfunds	Technique	Application conditions	Objective	Maximum amount	Expected amount	Expected gross income
Julius Baer Equity Asia	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Equity Fund Special Value	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Equity Global Excellence Europe	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Equity Global Excellence North America	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Global Excellence Equity	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Strategy Balanced (CHF)	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Strategy Balanced (EUR)	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Strategy Balanced (USD)	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Strategy Growth (CHF)	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Strategy Growth (EUR)	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Strategy Income (CHF)	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
Julius Baer Strategy Income (EUR)	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %

Julius Baer Strategy Income (USD)	Securities Lending	Continued	Performance optimization	35 %	2-10 %	71 %
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#### 6.5. SECURITIES REPURCHASE AGREEMENTS

The Company may, taking into account the provisions of the CSSF Circular 08/356 and the investment policy of the subfund concerned, engage in an accessory capacity for the said subfund in repurchase or reverse repurchase agreements involving the purchase and sale of securities where the seller has the right or obligation to repurchase the securities sold from the buyer at a fixed price and within a certain period stipulated by both parties upon conclusion of the agreement.

The Company may effect repurchase transactions either as a buyer or a seller. However, any transactions of this kind are subject to the following guidelines:

- Securities may only be purchased or sold under a repurchase agreement if the counterparty is a first class financial institution specialising in transactions of this kind and is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU Community law.
- As long as the repurchase agreement is valid, the securities bought cannot be sold before the right to repurchase the securities has been exercised or the repurchase period has expired.
- In addition, it must be ensured that the volume of repurchase agreements of each Subfund is structured in such a way that the Subfund can meet its redemption obligations towards its shareholders at any time.

If the Company enters into securities repurchase agreements for a subfund, it must be able to demand the return of the securities underlying the repurchase agreement or terminate the repurchase agreement at any time. Forward repurchase agreements of up to a maximum of seven days are deemed transactions where the Company can demand the return of the assets at any time.

Where the Company enters into reverse repurchase agreements, it must be able to demand the return of the full amount or terminate the reverse repurchase agreement either on the basis of the total amount accrued or at a mark-to-market value. Where the return of the amount can be demanded at a mark-to-market value at any time, the mark-to-market value of the reverse repurchase agreement must be used to calculate the net asset value. Future reverse repurchase agreements of up to a maximum of seven days are deemed transactions where the Company can demand the return of the assets at any time. The Company must publish the total amount of securities repurchase agreements outstanding at the reference date in its annual and semi-annual reports.

At the time of preparation of this Prospectus, none of the Company's Subfunds were invested in repurchase agreements, in accordance with Regulation (EU) 2015/2365 on the transparency of securities financing transactions and with Regulation (EU) No 648/2012 in its original and subsequent amended versions. Should this change in future, the Prospectus will be amended accordingly at the time of the next submission.

#### 6.6. COLLATERAL MANAGEMENT FOR TRANSACTIONS IN OTC DERIVATIVES AND TECHNIQUES FOR EFFICIENT PORTFOLIO MANAGEMENT

The following provisions correspond to the requirements of the guidelines of the European Securities and Markets Authority ESMA/2012/832, which are subject to change.

1. Collateral accepted in connection with OTC derivative transactions and techniques for efficient portfolio management, for instance as part of a securities purchase agreement or securities lending transaction, must meet all the following criteria at all times:
  - (a) Liquidity: non-cash collateral must be highly liquid and traded at a transparent price on a regulated market or within a multilateral trading system to ensure that it can be sold at short notice at a price that is close to the valuation ascertained prior to the sale. In addition, the collateral accepted should meet the provisions of Article 48 of the Law of 2010.
  - (b) Valuation: the collateral must be valued on each trading day. Assets that exhibit a high degree of price volatility should only be accepted as collateral if suitable conservative valuation discounts (haircuts) are applied.

- (c) Credit rating of the issuer: The issuer of the collateral should exhibit a high credit rating.
- (d) Correlation: the collateral should be issued by a legal entity that is independent of the counterparty and does not exhibit a high correlation with the development of the counterparty.
- (e) Diversification: In relation to collateral, an appropriate degree of diversification must be ensured in terms of countries, markets and issuers. The criterion of appropriate diversification with regard to issuer concentration is deemed to be met if a subfund contains a collateral basket where the maximum exposure to a specific issuer equals 20% of the net asset value. Where a Subfund has different counterparties, the various collateral baskets should be aggregated in order to calculate the 20% limit for exposure to a single issuer.

By way of derogation from this sub-paragraph, the Subfunds may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such Subfunds should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Subfund's net asset value. Subfunds that intend to be fully collateralised in securities issued or guaranteed by a Member State should disclose this fact in the respective special part of the prospectus. Subfunds should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.

- (f) Immediate availability: The Company must have the ability to sell the collateral accepted at any time without reference to the counterparty or approval on the part of the counterparty.
2. Without prejudice to the aforementioned criteria, permissible collateral for each Subfund must meet the following requirements:
    - (a) liquid assets such as cash or short-term bank deposits, money market instruments pursuant to Directive 2007/16/EC of 19 March 2007, documentary credits or demand guarantees issued by a first-class credit institution not linked to the counterparty;
    - (b) bonds issued or guaranteed by a member state of the OECD,
  3. In the event of a transfer of rights, the collateral accepted must be held in safekeeping by the Custodian Bank or its representative. Where there is no transfer of rights, the collateral may be held in safekeeping by a third party that is subject to supervision and has no connection whatsoever with the collateral provider.
  4. The Company has introduced a haircut strategy for each asset category that it accepts as collateral. A haircut is a discount on the value of an item of collateral in order to account for deterioration in the valuation or liquidity profile of an item of collateral over time. The haircut strategy takes into account the characteristics of each asset category, including the credit rating of the collateral issuer, price volatility of the collateral and results of the stress tests conducted in connection with the safekeeping of the collateral. Without prejudice to the existing transactions with the respective counterparty, which may include minimum amounts for the transfer of collateral, the Company intends that collateral received, as defined in no. 2b), is adjusted by a valuation discount of at least 2%, which should correspond to the counterparty risk at least, in accordance with the haircut strategy.
  5. Risks and potential conflicts of interest in connection with OTC derivatives and efficient portfolio management
    - (a) OTC derivative transactions, efficient portfolio management and the administration of collateral involve certain risks. Further information on this subject can be found in this prospectus in the sections "Risks in connection with the use of derivatives and other special investment techniques and financial instruments" and in particular under the risks in connection with derivatives, counterparty risk and counterparty risk vis-à-vis the custodian bank. These risks can expose shareholders to an increased risk of losses.
    - (b) The combined counterparty risk from a transaction with OTC derivatives or techniques for efficient portfolio management must not exceed 10% of the subfund's assets where the

counterparty is a bank domiciled in the EU or in a country in which supervisory rules are equivalent to those of the EU in the view of the Luxembourg supervisor. In all other cases, this limit is 5%.

#### 6.7. TECHNIQUES AND INSTRUMENTS FOR HEDGING CURRENCY RISKS

For the purpose of hedging against currency risks the Company may at a stock exchange or on another regulated market, or in the context of OTC transactions, conclude currency futures contracts, sell currency call options or buy currency put options in order to reduce *exposure* to the currency that is deemed to present a risk or to completely eliminate such risk and to shift into the reference currency or into another of the permissible currencies that is deemed to present less risk for each Subfund.

Currency futures and swaps may be executed by the Company in the open market with first class financial institutions specialising in transactions of this kind.

#### 6.8. STRUCTURED PRODUCTS

The Company may use structured products in the interests of efficient management or for hedging purposes for any Subfund. The range of structured products includes in particular credit-linked notes, equity-linked notes, performance-linked notes, index-linked notes and other notes whose performance is linked to basic instruments which are permitted in accordance with Part I of the 2010 Law and the associated implementing regulations. For this, the counterparty must be a first class financial institution specialising in this type of transaction. Structured products are combinations of other products. Derivatives and/or other investment techniques and instruments may be embedded in structured products. In addition to the risk features of securities, those of derivatives and other investment techniques and instruments therefore also have to be noted. In general, they are exposed to the risks of the markets or basic instruments underlying them. Depending on the structure, they may be more volatile and thus entail greater risks than direct investments, and there may be a risk of a loss of earnings or even the total loss of the invested capital as a result of price movements on the underlying market or in the basic instrument.

#### 6.9. SWAPS AND OTHER FINANCIAL DERIVATIVES WITH COMPARABLE CHARACTERISTICS

##### GENERAL INFORMATION

The subfunds may invest in total return swaps or on other derivatives with similar characteristics as described below:

- The underlyings of the total return swaps or other financial instruments with similar characteristics comprise in particular individual equities or bonds, baskets of equities or bonds or financial indices permitted in accordance with para. 48-61 of the ESMA Guidelines 2012/832. The components of the financial indices include equities, bonds and derivatives on commodities. The investment policy of the various subfunds includes additional details on the use of total return swaps or other financial instruments with similar characteristics based on underlyings or strategies, other than those described above.
- Counterparties to such transactions are regulated financial institutions that have a good credit rating and are specialised in this type of transaction.
- Default by counterparty may have a negative influence on shareholder returns. The Investment Manager intends to minimise the settlement risk of the counterparties by only selecting counterparties that have a good credit rating and by monitoring the development of counterparty ratings. Furthermore, these transactions are only concluded on the basis of standardised framework agreements (ISDA with credit support annex, German framework agreement with collateralisation annex, etc.). The credit support or collateralisation annex defines the conditions under which collateral is transferred to the counterparty or accepted by it in order to lessen the default risk arising from derivative positions and therefore the negative implications for shareholder returns in the event of default by counterparty.
- The counterparties for total return swaps or other financial instruments with comparable characteristics have no discretion with regard to the composition or management of the portfolio of a subfund or the

underlyings of these derivative financial instruments; nor is the counterparty's consent required in connection with the conclusion of such a transaction. In the event of a deviation from this principle, the investment policy of the subfunds contains further details.

- The total return swaps or derivatives with similar characteristics are included in the calculation of the specified investment limits.

**REGULATION (EU) 2015 / 2365 ON TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND REUSE AND AMENDING REGULATION (EU) No 648 / 2012**

At the time of the preparation of this prospectus the following Subfunds employed total return swaps (included equity swaps and contracts for difference). The following table sets out the maximum and the expected proportion of the Subfunds' assets under management that could be subject to these instruments. Should this change in future, the Prospectus will be amended accordingly at the time of the next submission.

Subfunds	Total Return Swaps (including Equity Swaps and CFD)	
	Maximum value	Expected value
JULIUS BAER STRATEGY BALANCED (CHF)	100%	0%
JULIUS BAER STRATEGY BALANCED (EUR)	100%	0%
JULIUS BAER STRATEGY BALANCED (USD)	100%	0%
JULIUS BAER STRATEGY GROWTH (CHF)	100%	0%
JULIUS BAER STRATEGY GROWTH (EUR)	100%	0%
JULIUS BAER STRATEGY INCOME (CHF)	100%	0%
JULIUS BAER STRATEGY INCOME (EUR)	100%	0%
JULIUS BAER STRATEGY INCOME (USD)	100%	0%
GAM MULTI ASSET STRATEGIC ALLOCATION	20%	0%
GAM COMMODITY	400%	150%

The types of assets that can be subject to total return swaps are those where such use is consistent with the investment policy of the relevant Subfund.

All revenues from total return swaps entered into by a Subfund, net of direct and indirect operational costs, will be returned to the relevant Subfund. The identities of the entities to which any direct and indirect costs and fees are paid shall be disclosed in the annual financial statements of the Company and such entities may include the Management Company, the Depositary or entities related to the Depositary. In selecting counterparties to these arrangements, the Investment Manager may take into account whether such costs and fees will be at normal commercial rates. Further information with regards to transactions with associated entities is available in Chapter 27 "General conflicts associated with the Company".

**6.10. INVESTMENTS IN FINANCIAL INDICES PURSUANT TO ARTICLE 9 OF THE GRAND DUCAL REGULATION OF 8 FEBRUARY 2008**

The Company may invest in derivative financial instruments whose underlyings replicate indices. The Company may also raise the diversification limits for an index component pursuant to Article 44 of the Law of 2010.

The raising of the diversification limits can occur in unusual market conditions when one or more components of the index acquires a dominant position within a particular market, sector or segment. A dominating position can arise due to special economic and market developments but also market, sector or segment-specific limitations. Further details are given in the investment policy of the Subfunds concerned.

The Company invests in derivative financial instruments whose underlyings replicate indices whose composition is mainly rebalanced on a semi-annual or annual frequency. A distinction is drawn between the following cases:



- For exchange-traded derivatives, the rebalancing of the index composition merely results in changes in the calculation and has no direct or indirect impact on the costs of the Subfunds concerned.
- In the case of OTC derivatives, the counterparty does not usually hold the index component physically and instead secures its position primarily via derivative instruments. Should transactions take place as a consequence of the rebalancing of the index composition, this is carried out on highly liquid derivative markets to ensure that the impact on the costs of the Subfunds concerned remains minimal.

#### **6.11. RISKS ASSOCIATED WITH THE USE OF DERIVATIVES AND OTHER SPECIAL INVESTMENT TECHNIQUES AND FINANCIAL INSTRUMENTS**

Prudent use of these derivative and other special investment techniques and financial instruments may bring advantages, but does also entail risks which differ from those of the more conventional forms of investment and in some cases may be even greater. The following general outline covers important risk factors and other aspects relating to the use of derivative and other special investment techniques and financial instruments and on which the shareholder should be informed before investing in a Subfund.

- **MARKET RISKS:** These risks are of general nature and are present in all types of investments; the value of a particular financial instrument may change in a way that can be detrimental to the interests of a Subfund.ith rega
- **MONITORING AND CONTROL:** Derivatives and other special investment techniques and financial instruments are specialised products which require different investment techniques and risk analyses than equities or bonds. The use of derivatives requires not just knowledge of the underlying instrument, but also of the derivative itself, although the performance of the derivative cannot be monitored under all possible market conditions. The complexity of such products and their use in particular require suitable control mechanisms to be set up for monitoring the transactions and the ability to assess the risks of such products for a Subfund and estimate the developments of prices, interest rates and exchange rates.
- **LIQUIDITY RISKS:** Liquidity risks arise when a certain stock is difficult to acquire or dispose of. In large-scale transactions or when markets are partially illiquid (e.g. where there are numerous individually agreed instruments) it may not be possible to execute a transaction or close out a position at an advantageous price.
- **COUNTERPARTY RISKS:** There is a risk that a counterparty will not be able to fulfil its obligations (settlement risk) and/or that a contract will be cancelled, e.g. due to bankruptcy, subsequent illegality or a change in the tax or accounting regulations in relation to the rules applicable at the time the OTC derivative contract was concluded and/or that the counterparty to a financial instrument is financially unable to meet an obligation or liability entered into in relation to the subfund concerned (credit risk). This affects all counterparties with which derivative, securities repurchase, reverse repurchase or securities lending agreements are entered into. Trading in non-collateralised derivatives results in direct counterparty risk. The subfund in question minimizes a large part of its counterparty risk from derivative transactions by demanding that collateral amounting to at least the level of its exposure be placed with the relevant counterparty. If derivatives are not fully collateralised, however, default by the counterparty can lead to a reduction in the value of the subfund. New counterparties are subject to a formal assessment and all approved counterparties are constantly monitored and reviewed. The Company ensures active control of its counterparty risk and collateral management.
- **COUNTERPARTY RISK VIS-À-VIS THE CUSTODIAN BANK:** The Company's assets are entrusted to the custodian bank for safekeeping. A note should be made in the books of the custodian bank stating that the Company's assets belong to the Company. The securities held by the custodian bank should be separated from the custodian bank's other securities/assets, thereby reducing but not eliminating the risk of non-return in the event of the custodian bank's bankruptcy. Shareholders are therefore exposed to the risk that in the event of its bankruptcy, the custodian bank will be unable to meet its obligation to return all the Company's assets in full. In addition, it is possible that a subfund's cash holdings with the custodian bank will not be held separately from the custodian bank's own cash holdings or the cash

holdings of its other customers; in the event of the bankruptcy of the custodian bank, a subfund could therefore be treated as a non-preferential creditor in some circumstances.

It is possible that the custodian bank will not keep all the Company's assets in safekeeping itself and may instead use a network of sub-custodians that do not always form part of the same group of companies as the custodian bank. In cases where the custodian bank bears no liability, it is possible that shareholders will be exposed to the risk of bankruptcy among the sub-custodians. A subfund may invest in markets where custody and/or settlement systems are not yet fully developed. The assets of the subfunds traded on these markets and entrusted to these sub-custodians may be exposed to risk in cases where the custodian bank is not liable.

- RISKS ASSOCIATED WITH CREDIT DEFAULT SWAP ("CDS") TRANSACTIONS: The purchase of credit default swap protection allows the Company, on payment of a premium, to protect itself against the risk of default by an issuer. In the event of default by an issuer, settlement can be effected in cash or in kind. In the case of a cash settlement, the purchaser of the CDS protection receives from the seller of the CDS protection the difference between the nominal value and the attainable redemption amount. Where settlement is made in kind, the purchaser of the CDS protection receives the full nominal value from the seller of the CDS protection and in exchange delivers to him the security which is the subject of the default, or an exchange shall be made from a basket of securities. The detailed composition of the basket of securities shall be determined at the time the CDS contract is concluded. The events which constitute a default and the terms of delivery of bonds and debt certificates shall be defined in the CDS contract. The Company can if necessary sell the CDS protection or restore the credit risk by purchasing call options.

Upon the sale of credit default swap protection, the Subfund incurs a credit risk comparable to the purchase of a bond issued by the same issuer at the same nominal value. In either case, the risk in the event of issuer default is in the amount of the difference between the nominal value and the attainable redemption amount.

Aside from the general counterparty risk (see "Counterparty risks", above), upon the conclusion of credit default swap transactions there is also in particular a risk of the counterparty being unable to establish one of the payment obligations which it must fulfil. The different Subfunds which use credit default swaps will ensure that the counterparties involved in these transactions are carefully selected and that the risk associated with the counterparty is limited and closely monitored.

- RISKS ASSOCIATED WITH CREDIT SPREAD SWAP ("CSS") TRANSACTIONS: Concluding a credit spread swap allows the Company, on payment of a premium, to share the risk of default by an issuer with the counterparty of the transaction concerned. A CSS is based on two different securities with differently rated default risks and normally a different interest rate structure. At maturity, the payment obligations of one or other party to the transaction depend on the differing interest rate structures of the underlying securities.

Aside from the general counterparty risk (see "Counterparty risks", above), upon the conclusion of CSS transactions there is also in particular a risk of the counterparty being unable to establish one of the payment obligations which it must fulfil.

- RISKS ASSOCIATED WITH INFLATION SWAP TRANSACTIONS: The purchase of inflation swap protection helps the Company to hedge a portfolio either entirely or partially from an unexpectedly sharp rise in inflation or to draw a relative performance advantage therefrom. For this purpose, a nominal, non-inflation-indexed debt is exchanged for a real claim that is linked to an inflation index. When the transaction is arranged, the inflation expected at this point is accounted for in the price of the contract. If actual inflation is higher than that expected at the time the transaction was entered into and accounted for in the price of the contract, the purchase of the inflation swap protection results in higher performance; in the opposite instance it results in lower performance than if the protection had not been purchased. The functioning of the inflation swap protection thus corresponds to that of inflation-indexed bonds in relation to normal nominal bonds. It follows that by combining a normal nominal bond with inflation swap protection it is possible to synthetically construct an inflation-indexed bond.

On the sale of inflation swap protection the Subfund enters into an inflation risk which is comparable with the purchase of a normal nominal bond in relation to an inflation-indexed bond: If actual inflation is lower than that expected at the time the transaction was entered into and accounted for in the price of the contract, the sale of the inflation swap protection results in higher performance; in the opposite instance it results in lower performance than if the protection had not been sold.

Aside from the general counterparty risk (see "Counterparty risks", above), upon the conclusion of inflation swap transactions there is also in particular a risk of the counterparty being unable to establish one of the payment obligations which it must fulfil.

- RISKS INVOLVED IN CONTRACTS FOR DIFFERENCE ("CFD"): Unlike with direct investments, in the case of CFDs the buyer may be liable for a considerably higher amount than the amount paid as collateral. The Company will therefore use risk management techniques to ensure that the respective Subfund can sell the necessary assets at any time, so that the resulting payments in connection with redemption applications can be made from redemption proceeds and the Subfund can meet its obligations arising from contracts for difference and other techniques and instruments.
- OTHER RISKS/DERIVATIVES: The use of derivative and other special investment techniques and financial instruments also entails the risk that the valuations of financial products will differ as a result of different approved valuation methods (model risks) and the fact that there is no absolute correlation between derivative products and the underlying securities, interest rates, exchange rates and indexes. Numerous derivatives, particularly the OTC derivatives, are complex and are frequently open to subjective valuation. Inaccurate valuations can result in higher cash payment obligations to the counterparty or a loss in value for a Subfund. Derivatives do not always fully reproduce the performance of the securities, interest rates, exchange rates or indexes which they are designed to reflect. The use of derivative and other special investment techniques and financial instruments by a Subfund may therefore in certain circumstances not always be an effective means of achieving the Subfund's investment objective and may even prove counterproductive. As a result of the use of derivatives, the subfunds will in some circumstances be exposed to greater risks. For example, this may involve credit risk in relation to counterparties with which a subfund is concluding transactions or settlement risk, the risk of the derivatives having insufficient liquidity, the risk of incomplete replication between the change in value of the derivative and that of the underlying which the subfund concerned aims to replicate, or the risk of higher transaction costs compared with a direct investment in the underlyings.

## **7. SUSTAINABILITY RISKS**

### **7.1. GENERAL INFORMATION**

In accordance with the regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation or SFDR), the Management Company and each of the Investment Managers of the Subfunds have implemented sustainability risks of the Subfunds into their investment decisions as set out in this section. NB: For the purposes of this section a sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The prospective investors of any Subfund shall read this section together with the relevant Special Part and note that any Subfund may deviate from these guidelines and such deviations are further clarified in the respective Special Part.

### **7.2. SUSTAINABILITY RISKS AS PART OF THE INVESTMENT PROCESS**

Investment Managers of each of the Subfunds have integrated sustainability risk factors as part of their investment process. Integration of sustainability risk assessment to actual investment decisions aims to ensure that the risks are considered similarly than all other risks that are integrated in the investment decision making. Investors shall note that the assessment of sustainability risk does not mean that the investment manager aims to invest in assets that are more sustainable than peers or even avoid investing in assets that may have public concerns about their sustainability. Such integrated assessment shall consider all other parameters used by the

investment manager and it can e.g. be deemed that even a recent event or condition may have been overreacted in its market value. Similarly, a holding in an asset subject to such material negative impact does not mean that the asset would need to be liquidated. Furthermore, it is deemed that sustainability risks will similarly be assessed for investments that are deemed to be sustainable, e.g. a 'green bond' will be subject to similar sustainability risks as a non-green bond even where the other one is deemed to be more sustainable.

Investors should note that, if a Subfund (a) promotes environmental or social characteristics or a combination thereof investing in companies that follow good governance practices; or (b) if a Subfund has a sustainable investment as its objective such promotion or objective shall be further detailed in the Special Part of the Subfund.

#### 7.2.1. INSTRUMENT SPECIFIC CONSIDERATIONS

- (i) equity and equity-like instruments such as corporate bonds that are bound to the performance of the company are deemed to be investments that inherently carry highest level of sustainability risks. The market value of an equity instrument will often be affected by environmental, social or governance events or conditions such as natural disasters, global warming, income inequality, anti-consumerism or malicious governance. The Subfunds that invest or may invest heavily in equities will be deemed to have inherently high level of sustainability risks.
- (ii) The market value of fixed-rate corporate bonds or other bonds that are not bound to the performance of the company, will inherently carry same or similar sustainability risks. As such instruments are effectively affected by the foreseen solvency of the company, the risks may be somewhat lower than in direct equity instruments and in some cases the more long-term conditions do not affect the solvency as likely as more sudden events do. The Subfunds that invest heavily in corporate bonds will be deemed to have inherently moderate level of sustainability risks.
- (iii) Government and other sovereign bonds are subject to similar sustainability risks as equities and corporate bonds. While nations and other sovereign issuers are subject to seemingly sudden events, the underlying conditions are often well-known and understood and already priced-in to the market value of such assets. The Subfunds that invest mostly in government and other sovereign bonds will be deemed to have an inherently low level of sustainability risks.
- (iv) currencies, investments in currencies and the currency effect against the base currency of any Subfund, regardless if such risk is hedged or not, shall not be subject to assessment of sustainability risk. The market value fluctuations of currencies are deemed not to be affected by actions of any specific entity where a materiality threshold could be exceeded by a single event or condition.
- (v) investments where the market value is solely bound to commodities are left outside of sustainability risk assessment. While some commodities may inherently be subject to various sustainability risks, it looks likely that the sustainability risks are either effectively priced-in in the market value of a commodity or there is a lack of generally approved sustainability risk metrics.
- (vi) Investment decisions in bank deposits and ancillary liquid assets will be subject to an assessment of governance events which is an inherent part of the analysis for such instruments where the market value of the asset is bound only or mostly to a counterparty risk were the counterparty fails to fulfill its usually contractually or otherwise predetermined obligations.
- (vii) investments in diversified indices, other UCIs and diversified structured products are generally understood to be instruments where any event or condition in one underlying asset should unlikely have a material impact on the investment due to the diversification. The sustainability risks of such instruments are generally only assessed on a high level e.g. where such instrument has only or mostly underlying assets that would be subject to same conditions or events.
- (viii) sustainability risks derived from financial derivative instruments such as futures, forwards, options, swaps etc. will be assessed based on the underlying of such derivative. Investors shall note that for the purposes of this section, the sustainability risks are only assessed from the point of view of material negative impact. This means that material positive impact will not be assessed. Consequently, it means that any derivative instruments (even where not used purely for hedging purposes) that has a negative

correlation to the ultimate underlying asset e.g. short selling will not be subject to a risk assessment where due to negative correlation a negative impact on the value of the underlying asset would not create a negative impact on the market value of the asset.

Notwithstanding anything set out above, investments intended for hedging purposes will not be subject to additional assessment of sustainability risks. The purpose of hedging is to fully or partially hedge against existing risks in the portfolio of the Subfund and should generally not add to sustainability-related risks.

#### **7.2.2. SUSTAINABILITY RELATED DATA**

The Company has chosen not to enforce the investment managers of the Subfunds to use any specific metrics, data or data providers in order to integrate sustainability risk as part of their investment decisions. The prospective investors shall note that while sustainable finance is among the most important recent themes in the field of investment management globally, and companies around the world have largely adopted different feasible, defensible and verifiable practices in order to create public data and control mechanisms in order to verify such data, the quality and availability of the data may still not be comparable with the general quality of more standardised and traditional financial data that is presented in annual financial statements or other financial reports that comply with any accounting standards the reliability of which has been tried and tested for a longer period of time.

More information about the policies on integration of sustainability risks in the investment decision process and information on adverse sustainability impacts is available on the website [funds.gam.com](https://funds.gam.com).

#### **7.3. PRINCIPAL ADVERSE IMPACTS**

The investment managers of each of the subfunds do not consider the "principal adverse impacts", if any, in their investment decisions if not otherwise specifically set out in the Special Part of the subfund. Such impact is subject to the perceived lack of reliable, high-quality data on these factors, which may often prevent the investment managers from being able to decisively conclude the investment decision's actual or potential adverse impact.

## **8. THE COMPANY**

### **GENERAL INFORMATION**

The Company is established as a "société d'investissement à capital variable" (SICAV) in the Grand Duchy of Luxembourg under the current version of the 2010 Law. The Company is authorised to perform collective investments in securities under Part I of the 2010 Law.

The Company was established on September 8, 1993 for an indefinite period.

The Company is registered under number B-44-963 in the Luxembourg commercial and companies' register. The articles of association may be consulted and sent out on request. They were published in Luxembourg in the Mémorial of 15 October 1993. The articles of association were last amended on 17 February 2017, as published in the Recueil Electronique des Sociétés et Associations ("RESA") in Luxembourg on 10 March 2017.

The Company's registered office is 25, Grand Rue, L – 1661 Luxembourg.

### **MINIMUM CAPITAL**

The Company's minimum capital corresponds in Swiss Francs to the equivalent of EUR 1,250,000. If one or more Subfunds are invested in shares of other Subfunds of the Company, the value of the relevant Shares is not to be taken into account for the purpose of verifying the statutory minimum capital. In the event that the capital of the Company falls below two thirds of the minimum capital laid down by law, the Board of Directors of the Company is required to submit the question of liquidation of the Company to a general meeting of shareholders within forty (40) days. The general meeting may resolve the question of liquidation with a simple majority of the shareholders present/represented (no quorum is required).

In the event that the capital of the Company falls below one-fourth of the minimum capital laid down by law, the Board of Directors of the Company is required to submit the question of liquidation of the Company to a general meeting of shareholders, which must be called within the same period. In this case, a liquidation may be resolved by one quarter of the votes of the shareholders present/represented at the general meeting (no quorum is required).

#### **LIQUIDATION / MERGER**

Under the terms of Articles 67-1 and 142 of the 1915 Law, the Company may be liquidated with the approval of the shareholders. The liquidator is authorised to transfer all assets and liabilities of the Company to a Luxembourg UCITS against the issue of Shares in the absorbing UCITS (in proportion to the Shares in the Company in liquidation). Otherwise, any liquidation of the Company is carried out in accordance with Luxembourg law. Any liquidation proceeds remaining to be distributed to shareholders but which could not be paid out to them at the end of liquidation will be deposited in favour of the beneficiary or beneficiaries, at the *Caisse de Consignation* in Luxembourg in accordance with Article 146 of the 2010 Law.

In addition, the Company may resolve or propose the liquidation of one or more Subfunds or the merger of one or more Subfunds with another Subfund of the Company or with another UCITS in accordance with Directive 2009/65/EC, or with a subfund within such other UCITS, as described in greater detail in the section "Redemption of Shares".

#### **INDEPENDENCE OF EACH SUBFUND**

The Company assumes liability in respect of third parties for the obligations of each Subfund only with the respective assets of the relevant Subfund. In the relationship between the shareholders, each Subfund is treated as an independent unit and the obligations of each Subfund are assigned to that Subfund in the list of assets and liabilities.

#### **THE BOARD OF DIRECTORS**

Details of the Company's Board of Directors are given in the section entitled "Organisation and management". The Company is managed under the supervision of the Board of Directors.

The articles of association contain no provisions with regard to the remuneration (including pensions and other benefits) of the Board of Directors. The expenses of the Board of Directors are paid. Remuneration must be approved by the shareholders in the general meeting.

## **9. CUSTODIAN BANK**

The Company has appointed State Street Bank International GmbH, Luxembourg Branch ("SSB-LUX") as Custodian Bank (the "Custodian Bank") of the Company with responsibility for:

- a) Custody of the assets,
- b) Monitoring duties,
- c) Cash flow monitoring

in accordance with applicable Luxembourg law, the relevant CSSF circular and other applicable mandatory provisions of the Regulation (hereinafter referred to as the "Luxembourg Regulation" in the respective current version) and the Custodian Agreement, which was entered into between the Company and SSB-LUX ("Custodian Agreement").

SSB-Lux is subject to supervision by the European Central Bank (ECB), the Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank and has been approved by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg as a custodian and central administrative office.

**A) CUSTODY OF THE ASSETS**

In accordance with the Luxembourg Regulation and the Custodian Agreement, the Custodian Bank is responsible for the safekeeping of the financial instruments that can be held in safekeeping and for the accounting and verification of ownership of the other assets.

**DELEGATION**

Furthermore, the Custodian Bank is authorized to delegate its custodian obligations under the Luxembourg Regulation to sub-custodians and to open accounts with sub-custodians, provided that (i) such delegation complies with the conditions laid down by the Luxembourg Regulation - and provided such conditions are observed; and (ii) the Custodian Bank will exercise all customary and appropriate care and expertise with regard to the selection, appointment, regular monitoring and control of its sub-custodians.

**B) MONITORING DUTIES**

In accordance with the Luxembourg Regulation and the articles of association of the Company, as well as with the Custodian Agreement, the Custodian Bank will:

- (i) ensure that the sale, issue, redemption, switching and cancellation of the Company's shares are conducted in accordance with the Luxembourg Regulation and the articles of association of the Company;
- (ii) ensure that the value of the Company's shares is calculated in accordance with the Luxembourg Regulation;
- (iii) execute the Management Company's instructions, provided they do not conflict with the Luxembourg Regulation and the articles of association of the Company;
- (iv) ensure that in transactions concerning the Company's assets, any remuneration is remitted/forwarded to the Company within the customary time limits;
- (v) ensure that the Company's income is recorded in the accounts in accordance with the Luxembourg Regulation and the articles of association of the Company.

**C) CASH FLOW MONITORING**

The Custodian Bank is obligated to perform certain monitoring duties with regard to cash flows as follows:

- (i) reconciling all cash flows and conducting such reconciliation on a daily basis;
- (ii) identifying cash flows which in its professional judgment are significant and in particular those which may possibly not be in keeping with the Company's transactions. The Custodian Bank will conduct its verification on the basis of the previous day's transaction statements;
- (iii) ensuring that all bank accounts within the Company's structure have been opened in the name of the Company;
- (iv) ensuring that the relevant banks are EU or comparable banking institutions;
- (v) ensuring that the monies that have been paid by the shareholders have been received and recorded on bank accounts of the Company,

Current information on the Custodian, its duties, potential conflicts, a description of all depositary functions delegated by the Custodian, a list of delegates and sub-delegates and the disclosure of all conflicts of interest that may arise in connection with the delegation of duties are made available to the shareholders, upon request, by the Custodian. Furthermore, a list of delegates and sub-delegates is available at [www.statestreet.com/about/office-locations/luxembourg/subcustodians.html](http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html).

**CONFLICTS OF INTEREST**

The Custodian Bank is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Custodian Bank or its affiliates engage in activities under the Custodian agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, securities lending agent, investment management, financial advice and/or other advisory services to the Company;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company, either as principal and in the interests of itself, or for other clients.

In connection with the above activities, the Custodian Bank or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Fund;
- (v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Custodian Bank to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Investment Manager or the Management Company may also be a client or counterparty of the Custodian Bank or its affiliates.

The Company pays the custodian a fee for its services based on the net asset value of the respective Subfund at the end of each month, payable monthly in arrears. In addition, the custodian is entitled to payment to recover expenses and the fees charged, in turn, by other correspondent banks.

SSB-LUX is part of a company operating globally. In connection with the settlement of subscriptions and redemptions and the fostering of business relations, data and information about customers, their business relationship with SSB-LUX (including information about the beneficial owner) as well as, to the extent legally permissible, information about business transactions may be transmitted to affiliated entities or groups of companies of SSB-LUX abroad, to its representatives abroad or to the management company or the company. These service providers and the management company or society are required to keep the information confidential and use it only for the purposes for which they have been made available to them. The data protection laws in foreign countries may differ from the Privacy Policy in Luxembourg and provide a lower standard of protection.

## **10. MANAGEMENT COMPANY AND DOMICILIARY AGENT**

The Company is managed by GAM (LUXEMBOURG) S.A. (the "Management Company"), which is subject to the provisions of Chapter 15 of the 2010 Law.

In addition, the Company is domiciled at the Management Company.

The Management Company was established on January 08, 2002 for an unlimited period. The corporate capital amounts to EUR 5,000,000. It is registered under number B-85.427 in the Luxembourg commercial and companies' register, where copies of the articles of association are available for inspection and can be received



on request. The Management Company's registered office is at 25, Grand-Rue, L-1661 Luxembourg. The articles of association were last amended on 31 December 2015, as published in the Mémorial in Luxembourg on 16 January 2016.

Aside from managing the Company, the Management Company currently administers additional undertakings for collective investment.

The Company pays the Management Company a fee for its services based on the net asset value of the respective Subfund at the end of each month, payable monthly in arrears.

## **11. CENTRAL ADMINISTRATION AGENT AND PRINCIPAL PAYING AGENT, REGISTRAR AND TRANSFER AGENT**

SSB-LUX has been appointed to provide services as the central administration agent and principal paying agent, the registrar and transfer agent.

The Company pays SSB-LUX a fee for its services based on the net asset value of the respective Subfund at the end of each month, payable monthly in arrears.

## **12. GENERAL INFORMATION ON INVESTMENT ADVICE AND/OR INVESTMENT MANAGEMENT**

The Company and the Management Company have authorised various specialist financial services providers to act as Investment Advisers ("Investment Advisers") or Investment Managers ("Investment Managers") for one or more Subfunds. The Investment Advisers and the Investment Managers for each of the Subfunds are named in the corresponding Special Part under "Investment Adviser(s)" or "Investment Managers".

The Investment Advisers can recommend investments for the corresponding Subfunds, taking into account their investment objectives, policies and limits.

The Investment Managers are authorised by right to make investments directly for the corresponding Subfunds.

An Investment Adviser and an Investment Manager may, in principle, seek assistance from associated companies in the execution of its mandate while retaining responsibility and control, and is authorised to nominate sub-advisers and/or sub-investment manager.

The Investment Advisers and/or Investment Managers receive a fee based on the net asset value of the respective Subfund which is indicated under "Fees and costs" in the Special Part for each Subfund.

The Management Company is not obliged to enter into business with any broker. Transactions may be carried out using the Investment Adviser or Investment Manager or related companies, provided their terms and conditions are comparable to those of other brokers or traders and regardless of their earning any profit from such transactions. All such transactions are subject to the provisions relating to transactions between associated companies as described above in the section "Investment Limits". Although the Company generally strives to achieve favourable and competitive commissions, it is not obliged to always pay the cheapest brokerage fee or the most favourable margin.

## **13. PAYING AGENTS AND REPRESENTATIVES**

The Company/Management Company has concluded agreements with various paying agents and/or representatives concerning the provision of certain administrative services, the distribution of Shares or the representation of the Company in various distribution countries. The fees charged by paying agents and representatives will be borne by the Company, as agreed in each case. Furthermore, the paying agents and representatives are entitled to the reimbursement of all reasonable costs that have been duly incurred in connection with the performance of their respective duties.

The paying agents or (processing) establishments necessitated by the local regulations on distribution specified in the various distribution countries, for example correspondent banks, may charge the shareholder additional costs and expenses, in particular the transaction costs entailed by customer orders, in accordance with the particular institution's scale of charges.

## 14. DISTRIBUTORS

The Company/Management Company may, in accordance with the applicable laws, appoint distributors ("Distributors") responsible for the offering and selling of Shares of various Subfunds in all countries in which the offering and selling of such Shares is permitted. The Distributors are authorised to retain a selling fee for the Shares they market, or else to waive all or part of the selling fee.

A Distributor is authorised, taking into account the applicable national laws and rules and regulations in the country of distribution, to offer Shares in connection with savings plans. In this respect, the Distributor is authorised in particular:

- a) to offer savings plans of several years' duration, giving details of the conditions and features and of the initial subscription amount and the recurrent subscriptions, which may fall below the minimum Share subscriptions applicable in accordance with this prospectus;
- b) to offer, in respect of selling, switching and redemption fees, more favourable terms and conditions for savings plans than the maximum rates for the issue, switching and redemption of Shares otherwise quoted in this prospectus.

The terms and conditions of such savings plans, especially with regard to fees, are based on the law of the country of distribution, and may be obtained from the local Distributor who offers such saving plans.

A Distributor is also authorised, taking into account the applicable national laws and rules and regulations in the country of distribution, to include Shares in a fund-linked life assurance as an investment component, and to offer Shares in such indirect form to the public. The legal relationship between the Company or Management Company, the Distributor/insurance company and the shareholders or policyholders is governed by the life assurance policy and the applicable laws.

The Distributors and SSB-LUX must at all times comply with the provisions of the Luxembourg law on the prevention of money laundering, and in particular the law of 7 July 1989, which amends the law of 19 February 1973 on the sale of drugs and the combating of drug dependency, the law of 12 November 2004 on the combat against money laundering and terrorist financing and of the law of 5 April 1993 on the financial sector, as amended, as well as other relevant laws passed by the government of Luxembourg or by supervisory authorities.

Subscribers of Shares must inter alia prove their identity to the Distributor and/or SSB-LUX or the Company, whichever accepts their subscription request. The Distributor and/or SSB-LUX or the Company must request from subscribers the following identity papers: in the case of natural persons a certified copy of the passport/identity card (certified by the Distributor or the local government administration); in the case of companies or other legal entities a certified copy of the certificate of incorporation, a certified copy of the extract from the commercial register, a copy of the latest published annual accounts, the full name of the beneficial owner.

The Distributor must ensure that the aforementioned identification procedure is strictly applied. The Company and the Management Company may at any time require confirmation of compliance from the Distributor or SSB-LUX. SSB-LUX checks compliance with the aforementioned rules in all subscription/redemption requests which it receives from Distributors in countries with non-equivalent money-laundering regulations. In case of doubt as to the identity of the party applying for subscription or redemption because of inadequate, inaccurate or lack of identification, SSB-LUX is authorised, without involving costs, to suspend or reject subscription/redemption requests for the reasons cited above. Distributors must additionally comply with all provisions for the prevention of money laundering which are in force in their own countries.

## 15. CO-MANAGEMENT

In order to reduce current administration costs and achieve broader asset diversification, the Company may decide to manage all or part of a Subfund's assets together with the assets of other Luxembourg UCIs managed by the same Management Company or the same investment manager and established by the same promoter, or have some or all Subfunds co-managed. In the following paragraphs, the words "co-managed units" generally refer to all Subfunds and units with or between which a given co-management agreement exists, and the words "co-managed assets" refer to the total assets of those co-managed units managed under the same agreement.

Under the co-management agreement, investment and realisation decisions can be made on a consolidated basis for the co-managed units concerned. Each co-managed unit holds a part of the co-managed assets corresponding to its net asset value as a proportion of the total value of the co-managed assets. This proportional holding is applicable to each category of investments held or acquired under co-management, and its existence as such is not affected by investment and/or realisation decisions. Additional investments will be allocated to the co-managed units in the same proportion, and sold assets deducted pro rata from the co-managed assets, held by each co-managed unit.

When new Shares are subscribed in a co-managed unit, the subscription proceeds will be allocated to the co-managed units in the new proportion resulting from the increase in the net asset value of the co-managed units to which the subscriptions have been credited, and all categories of investments will be changed by transferring assets from one co-managed unit to the other and thus adapted to the changed situation. Similarly, when Shares in a co-managed unit are redeemed, the required cash may be deducted from the cash held by the co-managed units accordingly, to reflect the changed proportions resulting from the reduced net asset value of the co-managed unit to which the redemptions were charged, and in such cases all categories of investments will be adapted to the changed situation. Shareholders should therefore be aware that a co-management agreement may cause the composition of the Subfund's portfolio to be influenced by events caused by other co-managed units, such as subscriptions and redemptions. Provided there are no other changes, subscriptions of shares in a unit with which a Subfund is co-managed will lead to an increase in that Subfund's cash. Conversely, redemptions of shares in a unit with which a Subfund is co-managed will lead to a reduction in that Subfund's cash. However, subscriptions and redemptions may be held in the specific account opened for each co-managed unit outside the co-management agreement and through which subscriptions and redemptions must pass. The possibility of large payments and redemptions being allocated to such specific accounts, and of a Subfund ceasing to participate in the co-management agreement at any time, prevent changes in a Subfund's portfolio caused by other co-managed units if these changes are likely to adversely affect the interests of the Subfund and the shareholders.

If a change in the composition of a Subfund's assets as a result of redemptions or payments of charges and costs relating to another co-managed unit (i.e. not attributable to the Subfund) would cause a breach of the investment restrictions applying to that Subfund, the assets concerned will be excluded from the co-management agreement before the changes are carried out, so that they are not affected by the changes.

Co-managed assets of a Subfund may be co-managed only with assets which are to be invested in accordance with investment objectives and policy compatible with those of the Subfund's co-managed assets, to ensure that investment decisions are fully compatible with the Subfund's investment policy. Co-managed assets of a Subfund may be managed jointly only with assets for which the custodian bank also acts as custodian, to ensure that the custodian bank can fully comply with its functions and responsibilities under the 2010 Law. The custodian bank must always keep the Company's assets separate from those of other co-managed units, and must therefore always be able to identify the Company's assets. As co-managed units may be following an investment policy which is not completely the same as that of a Subfund, the joint policy applied may be more restrictive than that of the Subfund.

The Company may end the co-management agreement at any time and without prior notice.

Shareholders may contact the Company at any time for information on the percentage of assets which is co-managed, and the units with which such co-management exists at the time of their inquiry. Annual and semi-annual reports are also required to specify the composition and percentage proportions of co-managed assets.

## 16. DESCRIPTION OF SHARES

### GENERAL

Shares in the Company have no par value. The Company only issues shares for each Subfund in registered form. To the extent that bearer shares were issued previously, ownership of these bearer shares can be proved by possession of the bearer shares having the corresponding coupons. Ownership of registered Shares can be proved by the entry in the register of shareholders.

In principle, no physical Share certificates will be issued. A Share acknowledgement is sent to the shareholder.

Registered Shares are also issued in fractions of Shares, which are rounded up or down to three decimal places.

Each Share grants a right to part of the profits and result of the Subfund in question. Unless otherwise specified in the articles of association or by law, each Share entitles the shareholder to one vote, which he/she may exercise at the general meeting of shareholders or the separate meetings of the Subfund in question either in person or through a proxy. The Shares do not include rights of priority or subscription rights. Nor are they now or will they in the future be associated with any outstanding options or special rights. The Shares are transferable without restriction unless the Company, in accordance with the articles of association, has restricted ownership of the Shares to specific persons or organisations ("restricted category of purchasers").

### IMMOBILISATION OF BEARER SHARES

The Luxembourg Law of 28 July 2014 on the mandatory deposit and immobilisation of bearer shares (Immobilisation Law) provides for a new regulation that will apply to physical securities (bearer shares) issued by the management company.

Within the scope of implementing the Immobilisation Law, BIL Banque Internationale à Luxembourg, société anonyme, whose registered office is at 69, route d'Esch, L-2953 Luxembourg, was appointed depository for the safekeeping and registration of bearer shares. The holders of physical securities must deposit these with the depository by 17 February 2016 at the latest and register them under the name and address of the current owner at the time of deposit. Any claims to distributions and associated voting rights attached to bearer shares will be suspended in accordance with the Immobilisation Law and shall only be restored once the bearer shares in question are delivered to a securities deposit account managed by the bank or deposited with the depository stated above.

In accordance with the Immobilisation Law, units not deposited or registered when the prescribed legal deadline has passed shall be valued at the rate valid for 18 February 2016 and the corresponding amount shall be transferred to the Luxembourg *Caisse de Consignation*. Every shareholder affected can request payment of the amount apportioned to them until expiry of the statutory period of limitation. At the same time, the collected units are deleted.

As of 18 February 2016, the management company will therefore no longer act as a contact for the affected shareholders. Claims for payment of the deposited net asset values can only be made to the Luxembourg *Caisse de Consignation*.

### SHARE CATEGORIES

The Company can provide in the Special Part of the full prospectus for distributing and accumulating Shares to be issued for each Subfund. Distributing Shares entitle the shareholder to a dividend as determined at the general meeting of shareholders. Accumulating Shares do not entitle the shareholder to a dividend. When dividend payments are made, the dividend amounts are deducted from the net asset value of the distributing Shares. The net asset value of the accumulating Shares, on the other hand, remains unchanged.

Furthermore, in the Special Part of the full prospectus, the Company can approve for each Subfund the issue of Share Categories with different minimum subscription amounts, dividend policies, fee structures and currencies.

### CURRENCY HEDGING

Where a Share Category is offered in an accounting currency other than that of the Subfund concerned, it must be identified as such. The Share Categories (if available) may be offered in different currencies at the discretion of the Management Company. If a Share Category is offered in a currency other than the accounting currency of

the relevant Subfund, it may be denominated in a currency or a Share Category with currency hedging, which will be labelled accordingly, see the relevant Special Part of the Prospectus.

Shares in currency-hedged Share Categories are hedged against the accounting currency of the Subfund. This type of hedging seeks to minimise the impact of currency fluctuations between the Subfund's accounting currency and the reference currency of the currency-hedged Share Category ("NAV hedge"). If such hedging is performed, the accounting currency of the respective Subfund is systematically hedged in the reference currency of the currency-hedged Share Category. For these NAV hedged Share Categories, the shareholder incurs surplus yields or loss, which is usually similar to that of shares issued in the accounting currency of the relevant Subfund.

Due to factors beyond the control of the Management Company, it is difficult to achieve exemplary hedging within a Subfund or currency-hedged Share Category. This may result in unintentional over-hedged or under-hedged positions. In the case of fully hedged Share Categories (labelled with the suffix "h"), the Management Company's aims to guarantee that over-hedged positions should not account for more than 105% of the net asset value of the hedged Share Category and the under-hedged positions not less than 95% of the net asset value of the hedged Share Category. A continuous monitoring of the hedged positions shall ensure that each position remains within the above limits and is not transferred from month to month. If these limits are deviated from, they will be depicted separately in the relevant Special Part.

Where such currency hedging is applied, the Company may, in relation to the Subfund concerned and exclusively for this Share Category, perform foreign exchange forward transactions, currency futures transactions, currency options transactions and currency and foreign exchange swaps in order to preserve the value of the reference currency of the Share Category against the accounting currency of the Subfund. Where such transactions are performed, the results of this hedging shall be reflected in the net asset value and hence in the performance of the Share Category.

Similarly, any costs arisen from such hedging transactions shall be borne by the Share Category for which they were incurred. Such hedging transactions may be performed regardless of whether the reference currency of the currency-hedged Share Category rises or falls in relation to the accounting currency of the respective Subfund. Therefore, where such hedging is carried out, it may protect the shareholder in the corresponding Share Category against a fall in the value of the accounting currency of the respective Subfund relative to the reference currency of the currency-hedged Share Category, though it may also prevent the shareholder from taking advantage of an increase in the value of the accounting currency of the respective Subfund. Shareholders' attention is drawn to the fact that complete protection cannot be guaranteed. Furthermore, no guarantee can be given that shareholders of the hedged Share Categories will not be exposed to influences of currencies other than the currency of the Share Category concerned.

Notwithstanding the provision in the previous paragraph relating to the exclusive allocation of the transactions to a specific Share Category, hedging transactions for a Share Category of a Subfund may still impair the net asset value of the other Share Categories in the same Subfund. This is due to the fact that there is no legal segregation of liabilities between the assets of different Share Categories.

The Board of Directors of the Company may at any time for all Subfunds resolve the issue of new or further Share Categories in a currency different from the accounting currency of the Subfund. The time of the initial issue and the initial issue price of such additional Share categories can be obtained in each case on [www.funds.gam.com](http://www.funds.gam.com).

## 17. ISSUE OF SHARES

### GENERAL INFORMATION ON THE ISSUE

The Shares are offered for sale on each valuation day following the initial issue.

Subscription requests can either be sent to one of the Distributors, which will forward them to SSB-LUX, or directly to the Company or to SSB-LUX (see below, subtitle "Nominee Service").

The application procedure (application and confirmation, registration) is laid down in the Special Part under the title "Application Procedure").

All subscriptions received by SSB-LUX no later than 15:00 Luxembourg local time (the cut-off time) on a valuation day (as defined in the section entitled "Calculation of net asset value") will be treated at the issue price determined on the following valuation day unless provided for otherwise in the Special Part. Subscriptions received by SSB-LUX after this time are covered by the issue price of the valuation day after the following valuation day. To ensure punctual transmission to SSB-LUX, applications placed with Distributors in Luxembourg or abroad may be subject to earlier cut-off times for the delivery of subscription applications. These times can be obtained from the Distributor concerned.

The Company or the Management Company may set different cut-off times for certain groups of investors, for example, for investors in distribution countries in which this is justified by a different time zone. If such times are set, the valid cut-off time must as a matter of principle be earlier than the time at which the net asset value in question is calculated. Different cut-off times may be agreed separately either with the distribution countries concerned or be published in an appendix to the full prospectus or another marketing document used in the distribution countries concerned.

Hence, Shares are subscribed for an unknown net asset value (forward pricing).

Notwithstanding that, the Company or the Management Company may instruct the Transfer Agent not to consider subscription requests as received until the total subscription amount has been received by the custodian bank („**Cleared funds settlement**"). Applications received on the same valuation day shall be treated equally. Subscriptions effected according to this procedure will be based on the issue price of the valuation day after receipt of the subscription amount by the custodian bank.

#### **ISSUE PRICE / SELLING FEE**

The issue price is based on the net asset value per Share on the applicable valuation day, and the issue price is determined or rounded in accordance with the principles detailed in each Special Part of the relevant Subfund, additionally of a possible selling fee imposed by the Distributor or the Company. Special price-setting procedures (e.g. "Swing Pricing"), may be set in the Special Part. Further information about the issue price may be requested at the registered office of the Company.

The selling fees payable to a Distributor or to the Company and expressed as a percentage of the amount invested may be up to 5% of the relevant net asset value.

In addition, a Distributor – according to the provisions in the relevant Special Part – is entitled to offer the Shares without a selling fee ("no-load"), and in return, to charge a redemption fee of up to 3% of the relevant net asset value. The maximum selling and redemption fees may be set lower for each Subfund in the respective Special Part.

In the case of larger transactions, the Distributor may waive all or part of the selling fee to which it is entitled. As far as the selling fee is payable to the Company, it may, on a particular day and as regards comparable trades within a Subfund, be levied only at the same percentage.

#### **MINIMUM INVESTMENT**

The minimum investment corresponds to the minimum amounts set out in each Special Part relating to the Subfund and/or the minimum number of Shares otherwise determined by the Board of Directors and set out in the relevant Special Part.

#### **PAYMENTS**

In principle, shareholders will be recorded in the register on the day on which the subscription is booked. Thereby, the total amount of the subscription must be credited to the specified account in the currency of the relevant Subfund or, if applicable, of the relevant Share Category, during the initial subscription period, within the number of Luxembourg banking days laid down in the relevant Special Part, and after this period within the number of Luxembourg banking days laid down in the Special Part or in accordance with any particular national regulations after the valuation day in question. The Company and the Management Company are entitled without further ado, to re-process or retroactively refuse subscriptions for which the amount subscribed for is not credited within the specified term.

However, if the Company or the Management Company have instructed the Transfer Agent to only consider subscriptions as received once the total amount subscribed has been credited to the Custodian ("Cleared funds

settlement”), then the shareholders will be recorded in the register on such day on which the receipt of the amount subscribed is booked.

The subscriber should instruct his bank to transfer the amount due to the SSB-LUX currency account indicated below for the beneficiary, MULTICOOPERATION SICAV, together with the exact identity of the subscriber(s), the Subfund(s) whose Shares are to be subscribed, and (if applicable) the currency and which Share Category are subscribed for in the Subfund.

Payments in the respective currencies must be credited to the following accounts by the day indicated for this purpose in the applicable Special Part. If the credit entry is later, the subscriber may be charged any interest due:

Currency	Correspondent bank	Account number	In favour of / Final beneficiary
AUD	BOFAAUSX (Bank of America, Sydney)	16830018	GAM (Luxembourg) S.A.
CHF	BOFACH2X (Bank of America Zurich)	CH45 0872 6000 0401 0701 6	GAM (Luxembourg) S.A.
DKK	DABADKKK (Danske Bank Copenhagen) in favour of: BOFAGB22 (Bank of America London)	GB77 BOFA 1650 5056 6840 30	GAM (Luxembourg) S.A.
EUR	BOFADEFX (Bank of America Frankfurt)	DE40 5001 0900 0020 0400 17	GAM (Luxembourg) S.A.
GBP	BOFAGB22 (Bank of America London)	GB24 BOFA 1650 5056 6840 14	GAM (Luxembourg) S.A.
JPY	BOFAJPJX (Bank of America Tokyo)	6064 22747-012	GAM (Luxembourg) S.A.
NOK	DNBANOKK (DNB Bank Oslo) in favour of: BOFAGB22 (Bank of America London)	GB76 BOFA 1650 5056 6840 48	GAM (Luxembourg) S.A.
SEK	HANDSESS (Svenska Handelsbanken Stockholm) in favour of: BOFAGB22 (Bank of America London)	GB02 BOFA 1650 5056 6840 22	GAM (Luxembourg) S.A.
SGD	BOFASG2X (Bank of America Singapore)	6212 59535-018	GAM (Luxembourg) S.A.
USD	BOFAUS3N (Bank of America New York)	6550068052	GAM (Luxembourg) S.A.

Once the subscription application has been processed, an order confirmation will be issued, which will be sent to the shareholder no later than one day after the order has been executed.

#### IN-KIND CONTRIBUTION

In exceptional cases, a subscription can take the form of an in-kind contribution, in whole or in part, whereby the composition of the in-kind contribution must be consistent with the investment limits contained in the General Part and with the investment objectives and policy described in the respective Special Part. Furthermore, the valuation of the in-kind contribution must be confirmed independently by the Company’s auditor. The costs incurred in connection with in-kind contributions (mainly for the independent audit report) will be borne by the investors contributing in kind.

#### NOMINEE SERVICE

Investors can subscribe Shares directly from the Company. Investors may also purchase Shares in a Subfund by using the nominee services offered by the relevant Distributor or its correspondent bank. A Distributor or its correspondent bank having its registered office in a country with equivalent anti-money-laundering regulations then subscribes and holds the Shares as a nominee in its own name but for the account of the investor. The Distributor or correspondent bank then confirms the subscription of the Shares to the investor by means of a letter of confirmation. Distributors that offer a nominee service either have their registered office in a country with equivalent anti-money-laundering regulations or they execute their transactions through a correspondent bank having its registered office in a so-called country with equivalent anti-money-laundering regulations.

Investors who use a nominee service may issue instructions to the nominee regarding the exercise of votes conferred by their Shares as well as request direct ownership by submitting an appropriate request in writing to the relevant Distributor or custodian bank.

The Company draws investors' attention to the fact that each investor can only assert his/her investor's rights (in particular the right to take part in shareholders' meetings) in their entirety directly against the Company if the investor him-/herself is enrolled in his/her own name in the Company's register of shareholders. In cases where an investor makes his/her investment in the Company via an intermediary, which makes the investment in its own name but for the investor's account, not all investor's rights can necessarily be asserted by the investor directly against the Company. Investors are advised to obtain information on their rights.

#### **APPLICATION AND CONFIRMATION**

- (a) In the case of joint applicants, the Company is authorised to accept instructions relating to voting rights, transfers and redemptions from the first-named applicant in the application and, where the Shares are distributing Shares, to make payment to the first-named applicant in the application unless it receives instructions to the contrary.
- (b) A legal entity must submit its application under its own name or through an authorised member of the Company, whose authority must be demonstrated.
- (c) If an application or confirmation is signed by a person with power of attorney, the power of attorney must be included with the application.
- (d) Notwithstanding (a), (b) and (c), an application may be accepted if it is signed by a bank or on behalf of or apparently on behalf of another natural person or legal entity.
- (e) If an application is received in which it is not clear whether the application is for distributing or accumulating Shares, the Company will automatically issue accumulating Shares.
- (f) Additional information for Investors in Italy: If not excluded by local provisions, subscription of shares may also be validated by means other than by a signed subscription form. This may be done by an intermediary providing investment services under a written contract, in the name and on behalf of the investor, or in his own name and for the account of the investor.

#### **RESTRICTIONS**

The Company retains the right to reject subscriptions in full or in part. In this case, any payments or credits already made would be returned to the subscriber.

In addition, the Company or the Management Company may refuse to accept new applications from new investors for a specific period if this is in the interests of the Company and/or shareholders, including situations where the Company or a Subfund have reached a size such that they can no longer make suitable investments.

Subscriptions and redemptions are made for investment purposes only. Neither the Company nor the Management Company nor SSB-LUX will permit arbitrage techniques, such as market timing, late trading or any other excessive trading practices. Such practices may be detrimental to the performance of the Company or the Subfunds, thereby interfering with the management of the portfolio. To minimise these negative consequences, SSB-LUX and the Company may refuse subscription and switching applications from investors whom they believe to be carrying out, or to have carried out, such practices or whose practices would adversely affect the other shareholders.

Market timing is the arbitrage method whereby the investor systematically subscribes, exchanges or redeems shares of a Subfund within a short period of time, taking advantage of time shifts and/or shortcomings or deficiencies in the calculation system of the net asset value of the Subfund.

Late trading means the purchase or sale of shares after the close of trading at a fixed or foreseeable closing price. In any event, the Management Company will ensure that the issue of shares is settled on the basis of a share value previously unknown to the investor. If, however, there is a suspicion that an investor is engaged in late trading, the Management Company may refuse to accept the subscription application until the applicant has dispelled any doubts regarding his subscription application.

The Company and the Management Company may also compulsorily redeem the Shares of a shareholder engaging in or having engaged in such practices. It shall not be liable for any gain or loss resulting from such rejected applications or compulsory redemptions.



The application procedure (application and confirmation, as well as registration) is described in the Special Part of the relevant Subfund under "Application procedure".

## 18. REDEMPTION OF SHARES

### GENERAL INFORMATION ON REDEMPTIONS

The shareholder must address an application for redemption of Shares to SSB-LUX in writing, either directly or through a Distributor, no later than 15:00 Luxembourg local time ("fixed time" or cut-off time) on the day before the valuation day on which the Shares are to be redeemed. To ensure punctual forwarding to SSB-LUX, applications placed with Distributors in Luxembourg or abroad may be subject to earlier cut-off times for the delivery of redemption applications. These times can be obtained from the Distributor concerned.

The Company or the Management Company may set different cut-off times for certain groups of investors, for example, for investors in distribution countries in which this is justified by a different time zone. If such times are set, the valid cut-off time must as a matter of principle be earlier than the time at which the net asset value in question is calculated. Different cut-off times may be agreed separately either with the distribution countries concerned or be published in an appendix to the full prospectus or in another marketing document used in the distribution countries concerned.

Hence, Shares are redeemed for an unknown net asset value (forward pricing).

A correctly submitted application for redemption is irrevocable, except in the case of and during the period of a suspension or postponement of redemptions.

Applications for redemption which are received by SSB-LUX after the fixed time are executed one valuation day later, subject to the restriction that the Company is not obliged to redeem more than 10% of the outstanding Shares of a Subfund on one valuation day or within any period of seven consecutive valuation days.

Once the redemption application has been processed, an order confirmation will be issued, which will be sent to the shareholder no later than one day after the order has been executed.

If, upon execution of a redemption application for part of the Shares of a Subfund, the total number of Shares held in one of these Subfunds falls below a minimum amount set out in the Special Part of the relevant Subfund, or below a minimum number otherwise determined by the Board of Directors, the Company is entitled to redeem all remaining Shares in that Subfund owned by the particular investor.

Payments are normally made in the currency of the relevant Subfund or Share Category within five (5) bank business days in Luxembourg after the later of the valuation day concerned. If, in the event of redemptions caused by exceptional circumstances, the liquidity of a Subfund's assets are not sufficient for payment within this period, payment will be made as soon as possible, but as far as is legally permissible, without interest.

The value of Shares at the time of redemption may be higher or lower than their purchase price depending on the market value of the assets of the Company at the time of purchase/redemption.

### REDEMPTION PRICE / REDEMPTION FEE

The price of each Share offered for redemption ("Redemption Price") is based on the net asset value per Share in the relevant Subfund on the applicable valuation day, determined or rounded in accordance with the principles set out in the relevant Special Part. Special price-setting procedures (e.g. "Swing Pricing"), may be set in the Special Part. In order to allow the Redemption Price to be calculated on the valuation day, the Company must have received the redemption application.

If no selling fee has been charged ("no-load") the Distributor can charge a redemption fee of up to 3% of the applicable net asset value per Share, provided this is specified in the corresponding Special Part of the prospectus. The maximum redemption fee can be specified lower for each Subfund in the Special Part of the prospectus.

The Redemption Price may be obtained from the registered office of the Company or from one of the Distributors or the relevant publication media.

### REDEMPTION IN KIND

In special cases, the Company's Board of Directors may decide to pay the redemption proceeds to the shareholder at the latter's request or with the latter's consent in the form of a full or partial redemption in kind. It must be ensured that all shareholders are treated equally and the auditor of the Company's annual report must confirm the valuation of the redemption in kind independently.

#### **SUSPENSION OF REDEMPTIONS**

The Board of Directors may decide to postpone the redemption or switching of Shares until further notice if, on a valuation day or during a period of seven (7) successive valuation days, the Company receives applications for redemption or switching corresponding to more than 10% of the Shares of a Subfund that have been issued at that time. In the shareholders' interests, such a postponement must be lifted again as quickly as possible. The Special Parts may also provide for different modalities for individual Subfunds. Such applications for redemption or switching that have been affected by a postponement will take precedence over applications received subsequently.

If the calculation of the net asset value is suspended or redemption is postponed, Shares offered for redemption will be redeemed on the next valuation day after the suspension of valuation or the postponement of redemption has ended at the net asset value applying on that day, unless the redemption request has previously been revoked in writing.

#### **LIQUIDATION OF SUBFUNDS**

If, during a period of sixty (60) consecutive valuation days, the total net asset value of all outstanding Shares of the Company is less than twenty-five million Swiss francs (CHF 25 million) or the equivalent in another currency, the Company may, within three (3) months of the occurrence of such a situation arising, notify all shareholders in writing, upon appropriate notification, that after this time all the Shares will be redeemed at the net asset value on the valuation day therefore determined, (less the dealing and other charges determined and/or estimated by the Board of Directors, as described in the full prospectus, and the liquidation costs). This is subject to the legal provisions concerning liquidation of the Company.

If, during a period of sixty (60) consecutive days, the net asset value of a Subfund, for whatever reason, falls below ten (10) million Swiss francs (CHF million) (or the equivalent in another Subfund currency) or if the Board of Directors deems it necessary because of changes in the economic or political circumstances that affect the Subfund, or if it is in the shareholders' interests, the Board of Directors may redeem all, but not some, of the Shares of the Subfund concerned at the net asset value applicable on the valuation day appointed for this purpose (less the trading and other fees decided on and/or estimated by the Board of Directors, as described in the full prospectus, and less the liquidation costs), but without applying any other redemption fee.

The liquidation of a Subfund associated with the compulsory redemption of all affected Shares for reasons other than that indicated in the previous paragraph may only be carried out with the prior agreement of the shareholders in the Subfund to be liquidated at a meeting of shareholders of the Subfund in question, convened in accordance with the regulations. Such resolution may be passed with no quorum requirement and with a majority of 50% of Shares attending/represented.

According to Article 146 of the 2010 Law, any liquidation proceeds which have not been paid out to the shareholders upon completion of the liquidation of a Subfund will be deposited at the Caisse de Consignation in Luxembourg in favour of the beneficiary or beneficiaries and shall be forfeited after thirty (30) years.

#### **MERGING OF SUBFUNDS**

Furthermore, the Board of Directors may, once it has informed the shareholders concerned in advance in the manner required by law, merge a Subfund with another of the Company's Subfunds or with another UCITS according to Directive 2009/65/EC or with a subfund thereof.

A merger decided on by the Board of Directors, which is to be carried out according to the provisions of chapter 8 of the 2010 Law, is binding on the shareholders of the Subfund concerned after expiry of a 30-day period from the corresponding notification of the shareholders concerned. During the notification period, the shareholders may return their Shares to the Company without paying a redemption fee, with the exception of the amounts retained by the Company to cover expenses connected with disinvestments. The above-mentioned period shall end five (5) banking days before the valuation day that is determining for the merger.

A merger of one or more Subfunds as a result of which the SICAV ceases to exist must be decided on by the general meeting and be ascertained by the notary public. No quorum is necessary for such resolutions and a simple majority of the shareholders present or represented is sufficient.

#### **MERGING OR LIQUIDATION OF SHARE CATEGORIES**

In addition, the Board of Directors may, once it has informed the shareholders concerned in advance, merge a Share Category with another Share Category of the Company, or liquidate it. A merger of Share Categories is conducted on the basis of the net asset value on the valuation day that is determining for the merger and is confirmed independently by the Company's auditor.

## **19. SWITCHING OF SHARES**

In principle, each shareholder is entitled to apply to switch some or all of his/her Shares for Shares in another Subfund on a valuation day which is a valuation day for both Subfunds, and to switch within a Subfund from Shares of one Share Category to another Share Category, on the basis of the switching formula below and in accordance with the principles laid down for each Subfund by the Board of Directors.

The Board of Directors may regulate for each Subfund and for each Share Category the possibility of switching in greater detail by means of regulations concerning limitations and restrictions with regard to the frequency of applications for switching, the Subfunds in question, and the levying of any switching fee, described more fully in the Special Part in the section "Switching of Shares".

Shares can be switched on any valuation day at the issue price valid on that date, provided the application for switching is received by SSB-LUX by 15:00 Luxembourg time (cut-off time) at the latest on the day preceding the valuation day (unless otherwise specified in the Special Part). The provisions relating to the cut-off time and forward pricing also apply concerning switching of Shares (cf. the chapter "Issue of the Shares" and "Redemption of the Shares").

Applications should be addressed either directly to the Company, to SSB-LUX, or to one of the Distributors. The application must contain the following information: The number of Shares in the old and new Subfunds resp. the old and new Share Categories and the value ratio according to which the Shares in each Subfund resp. in each Share Category are to be divided if more than one new Subfund resp. Share Category is intended.

The Company applies the following formula to calculate the number of Shares into which the shareholder would like to convert his/her holding:

$$A = \frac{[(B \times C) - E] \times F}{D}$$

where:

- A = Number of Shares to be issued in the new Subfund(s) resp. Share Category(ies);
- B = Number of Shares in the Subfund(s) resp. Share Category(ies) originally held;
- C = Redemption Price per Share of the Subfund(s) resp. Share Category(ies) originally held, less any selling costs;
- D = Issue price per Share of the new Subfund(s) resp. Share Category(ies), less reinvestment costs;
- E = Switching fee, if any (max. 2% of net asset value) - whereby comparable switching requests on the same day are charged the same switching fee;
- F = exchange rate; if the old and new Subfund(s) resp. Share Category(ies) have the same currency the exchange rate is 1.

Any switching fee must be paid by the investor in favour of the respective Distributor.

## 20. DIVIDENDS

The Board of Directors proposes to the general meeting of shareholders a reasonable annual dividend payment for the distributing Shares in the Subfund, ensuring that the net asset value does not fall below the minimum capital of the Company. Subject to the same limitation, the Board of Directors may also fix interim dividends. In the case of accumulating Shares, no dividend payments are made, but the values allocated to the accumulating Shares are reinvested for the benefit of the shareholders holding them.

The determined dividends are published on [www.funds.gam.com](http://www.funds.gam.com) and, as the case may be, in other media designated by the Company from time to time.

Distributions take place, in principle, within one month from the fixing of the dividend in the currency of each Subfund or in the currency of the relevant Share Category. At the request of shareholders holding distributing Shares, the dividends may also be paid in another currency established by the Management Company using the exchange rates applicable at the time and at the expense of the shareholder.

Dividends for distributing registered Shares shall be paid to the shareholders entered in the Company's book of registered shareholders. Further details with regards to dividends for distributing bearer Shares are outlined in the section 15 "Description of Shares".

Claims for dividends which have not been asserted within five (5) years from distribution, shall forfeit and revert to the Subfund in question.

## 21. CALCULATION OF NET ASSET VALUE

The net asset value of a Subfund and the net asset value of the Share Categories issued within that Subfund are determined in the relevant currency on every valuation day – as defined below – apart from in the cases of suspension described in the section "Suspension of calculation of net asset value, and of the issue, redemption and switching of Shares". The valuation day for each Subfund will be each bank business day in Luxembourg which is not a normal public holiday for the stock exchanges or other markets which represent the basis for valuation of a major part of the net assets of the corresponding Subfund, as determined by the Company. The total net asset value of a Subfund represents the market value of its assets less its liabilities (the "assets of the Subfunds"). The net asset value per Share of a Share Category issued in a Subfund is determined by dividing the total amount of all assets that are allocated to this Category, minus the liabilities allocated to this Category, by all the outstanding Shares in the same Category of the Subfund concerned. The net asset values of the Subfunds are calculated in accordance with the valuation regulations and guidelines ("valuation regulations") laid down in the articles of association and issued by the Board of Directors.

The valuation of securities held by a Subfund and listed on a stock exchange or on another regulated market is based on the last known listing price on the principal market on which the securities are traded, using a procedure for determining prices accepted by the Board of Directors.

The valuation of securities whose listing price is not representative and all other eligible assets (including securities not listed on a stock exchange or traded on a regulated market) is based on their probable realisation price determined with care and in good faith by or, if applicable, under the supervision of the Board of Directors.

All assets and liabilities in a currency other than that of the Subfund in question are converted using the exchange rate determined at the time of valuation.

The net asset value determined per Share in a Subfund is considered final and binding once it is confirmed by the Board of Directors or an authorised member of the Board of Directors/authorised representative of the Board of Directors, except in the case of a manifest error.

In its annual reports, the Company must include audited consolidated annual reports for all Subfunds in Swiss Francs.

If, in the opinion of the Board of Directors, and as a result of particular circumstances, the calculation of the net asset value of a Subfund in the applicable currency is either not reasonably possible or is disadvantageous for the shareholders in the Company, the calculation of the net asset value, the issue price and the Redemption Price may temporarily be carried out in another currency.

Valuation of the derivatives and structured products used in any of the Subfunds is performed on a regular basis by use of the *mark-to-market* principle, in other words at the last available price.

## 22. SUSPENSION OF CALCULATION OF NET ASSET VALUE, AND OF THE ISSUE, REDEMPTION AND SWITCHING OF SHARES

The Company may temporarily suspend the calculation of the net asset value of each Subfund and the issue, redemption and switching of Shares of a Subfund in the following circumstances:

- a) where one or more stock exchanges or other markets which are the basis for valuing a significant part of the net asset value are closed (apart from on normal public holidays), or where trading is suspended;
- b) where in the opinion of the Board of Directors it is impossible to sell or to value assets as a result of particular circumstances;
- c) where the communication technology normally used in determining the price of a security of the Subfund fails or provides only partial functionality;
- d) where the transfer of moneys for the purchase or sale of investments of the Company is impossible;
- e) if, owing to unforeseeable circumstances, a large volume of redemption applications has been received and, as a result, the interests of the shareholders remaining in the Subfund are endangered in the opinion of the Board of Directors;
- f) in the event of a merger of a Subfund with another Subfund or with another UCITS (or a subfund thereof), if this appears justified for the purpose of protecting the shareholders; or
- g) in the case of a resolution to liquidate the Company: on or after the date of publication of the first calling of a general meeting of shareholders for the purpose of such resolution.

The Company's articles of association provide that the Company must immediately suspend the issue and switching of Shares when an event resulting in liquidation occurs or such is required by the CSSF. Shareholders having offered their Shares for redemption or for switching will be notified of any suspension in writing within seven (7) days, and of the ending of suspension immediately.

## 23. FEES AND COSTS

### FEE STRUCTURE

For the activity of the Management Company, the custodian, the central administration agent, the paying agent, the registrar and transfer agent, the Investment Manager or Investment Adviser, the paying agents, the representatives and distributors (if applicable), as well as for additional advisory services and support activities, fees and, where applicable, additional costs will be charged to the respective Subfunds. Details regarding the applicable fee amount and fee structure can be found in the Special Part under the Section "Fees and costs".

The fees are calculated on each valuation day and are payable monthly in arrears.

### INVESTMENTS IN TARGET FUNDS

Subfunds that may invest in other existing UCIs and UCITS (target funds) as part of their investment policy can incur charges at the level of both the target fund and the Subfund. If a Subfund acquires shares of target funds that are managed directly or indirectly by the Management Company, or by a company to which the latter is linked by common management or control or by a substantial direct or indirect shareholding ("related target fund"), no sales or redemption fees may be charged to the investing Subfund by the related target funds when it subscribes to or redeems said Shares.

### PERFORMANCE FEE

In the case of Subfunds with qualified administrative expenditure, an additional performance-related fee ("**Performance Fee**"), as defined in the Special Part of the Subfunds concerned, may be provided for, to be paid

to the Investment Adviser or Investment Manager. The Performance Fee is calculated on the basis of the performance per Share and is measured according to a percentage of that portion of realised profit that is above a predetermined benchmark (Hurdle Rate) and/or above a so-called High Water Mark for these Shares, as defined for the Subfunds concerned in the Special Part.

#### **LAUNCH COSTS**

All fees, costs and expenses payable by the Company are first charged against income, and only subsequently against the capital. The costs and expenditure for the organisation and registration of the Company as a UCITS in Luxembourg, which did not exceed CHF 120,000.00, were borne by the Company and written off in equal amounts over a period of five (5) years from the date they arose. The costs of setting-up, launching and registering an additional Subfund are charged to this Subfund by the Company and written off in equal amounts over a period of five (5) years from the date this Subfund was launched.

#### **INCENTIVES**

The Management Company, individual employees of the latter or outside service providers may under certain circumstances receive or grant monetary or non-monetary benefits.

Transactions for the Subfunds' portfolios are executed through brokers who are compensated for their services at the expense of the Company. In this context, brokers can also provide research services (e. g. investment analyses). Insofar as such additional research services provided by brokers are to be reimbursed, they can either be paid for by the Management Company or the Investment Manager from their own funds or be compensated via a separate account, a so-called Research Payment Account ("RPA"). Such a RPA is based on a research budget that is determined independently of the volume of the transactions. Compensation for research services via a RPA requires a Research Charge Collection Agreement ("RCCA") or a fee sharing agreement between the Management Company or the Investment Manager and the relevant broker.

Minor non-monetary benefits are exempt from the aforementioned, including but not limited to written material from an issuer or potential issuer, non-essential material or non-essential services in the form of short-term market commentary, etc.

The main provisions of the relevant agreements on fees, commissions, and/or gratifications offered or granted in non-pecuniary form are available for inspection in summary form at the registered office of the Company. Details are available on request from the Management Company.

## **24. TAXATION**

The following summary is based on the law and regulations currently valid and applied in the Grand Duchy of Luxembourg, and which are subject to changes in the course of time.

### **23.1. THE COMPANY**

#### **LUXEMBOURG**

The Company is subject to Luxembourg tax jurisdiction. Under Luxembourg law and the current practice, the Company is neither subject to income tax nor to any tax on capital gains in respect of realised or unrealised valuation profits, neither are distributions carried out by the Company currently subject to Luxembourg withholding tax. No taxes are payable in Luxembourg on the issue of Shares.

The Company is subject to an annual tax of 0.05% of the net asset value as valued at the end of each quarter, and which is payable quarterly. To the extent that parts of the Company's assets are invested in other Luxembourg UCITS and/or UCI which are subject to the tax, such parts are not taxed.

The net asset value corresponding to a Share Category for "institutional investors" within the meaning of Luxembourg tax legislation, as defined in the particular Special Parts is subject to a reduced tax rate of 0.01% per annum, on the basis that the Company classifies the shareholders in this Share Category as institutional investors within the meaning of the tax legislation. This classification is based on the Company's understanding of the current legal situation. This legal situation may change, even with retrospective effect, which may result in

a duty of 0.05% being applied, even with retrospective effect. Where applicable, the reduced tax may be applied to further Share Categories, as indicated in the relevant Special Part.

The Company is subject to a net asset tax ("NAT") in Belgium for Subfunds that are registered for distribution in Belgium with the local supervisory authority, the "Autorité des services et marchés financiers". Currently, the NAT is 0.0925% levied on the portion of the net asset value of the relevant Subfund and Class which as at 31 December of each calendar year was actively placed to Belgian residents by Belgian financial intermediaries.

#### IN GENERAL

Capital gains and income from dividends, interest and interest payments which the Company generates from investments in other countries may be subject to different levels of non-recoverable withholding tax or capital gains tax. It is often not possible for the Company to take advantage of tax breaks due to existing double taxation agreements between Luxembourg and these countries or because of local regulations. Should this situation change in future and a lower tax rate result in tax refunds to the Company, the net asset value of the respective Subfunds or shares as at the original time the tax was withheld will not be recalculated; instead the repayments will be made indirectly pro rata to the existing shareholders at the time the refund is made.

### 23.2. SHAREHOLDERS

#### LUXEMBOURG

Under Luxembourg law and current practice, shareholders in Luxembourg are not subject to capital gains tax, income tax, gifts tax, inheritance tax or other taxes (with the exception of shareholders domiciled or resident or having their permanent establishment in Luxembourg, as well as former residents of Luxembourg, if they hold more than 10% of Company's shares).

#### AUTOMATIC EXCHANGE OF FINANCIAL INFORMATION IN THE FIELD OF TAXATION

Many countries, including Luxembourg and Switzerland, have already concluded agreements on the automatic exchange of information (AEOI) with regard to taxation or are considering concluding such agreements. To this end, a reporting standard has been coordinated within the OECD. The common reporting standard (CRS) forms the framework for the exchange of financial information in the field of taxation between countries.

CRS obliges financial institutions to gather and, as the case may be, report information on financial assets which are kept under custody or administered across the border for taxpayers from countries and territories which participate in the AEOI. This information will be exchanged between the participating countries' tax authorities.

The member countries of the European Union have decided to implement the AEOI and CRS within the EU by means of Directive 2014/107/EU of the Council of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

Luxembourg has implemented Directive 2014/107/EU by enacting the Law of 18<sup>th</sup> December 2015 on the automatic exchange of information regarding financial accounts (the "**Financial Accounts Information Exchange Law**") and substantiated by further regulations. Accordingly, from 2016 on, in-scope Luxembourg financial institutions will collect certain investor information relating to the holders of financial accounts (as well as, as the case may be, relating to persons controlling account holders) and, from 2017, will begin reporting this information relating to the reportable accounts to Luxembourg tax authorities. These reports will be transferred by the Luxembourg tax authorities to certain foreign tax authorities, in particular within the EU.

According to the assessment of the Board of Directors, the Company is subject to the Financial Accounts Information Exchange Law in Luxembourg. The Company has been classified as "reporting financial institute" (investment entity) according to the Financial Accounts Information Exchange Law. Therefore, the Company gathers and, as the case may be, reports information relating to account holders pursuant to the principles laid down above.

The Company reserves the right to refuse applications for the subscription of Shares or compulsorily redeem Shares if the information provided by the applicant or Shareholder does not meet the requirements of Directive 2014/107/EU and, respectively, of the Law on Financial Account Information Exchange. Moreover, to fulfil their obligations in Luxembourg under the Law on Financial Account Information Exchange and, respectively, under Directive 2014/107/EU, the Company, the Management Company or the nominees may require additional

information of the investors in order to comply with their fiscal identification and, as the case may be, reporting duties.

Applicants and investors are made aware of the Company's duty to transmit information on reportable accounts and their holders as well as, as the case may be, of controlling individuals to the Luxembourg tax authorities, which, depending on the circumstances, may forward this information to certain tax authorities in other countries with which a treaty on the automatic exchange of information has been concluded.

The scope and application of the AEOI or CRS may vary from country to country and the applicable rules may change. It is the responsibility of investors to seek advice on taxes and other consequences (including on the exchange of tax information) which may result from the subscription, ownership, return (redemption), switching and transfer of Shares, as well as distributions, including any regulations regarding the control on the movement of capital.

### **23.3. FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA") OF THE UNITED STATES OF AMERICA ("US")**

The US have introduced FATCA to obtain information with respect to foreign financial accounts and investments beneficially owned by certain US taxpayers.

In regards to the implementation of FATCA in Luxembourg, the Grand Duchy of Luxembourg has signed a Model 1 intergovernmental agreement with the US on 28 March 2014 (the "Lux IGA"), which has been transposed into Luxembourg legislation according to the terms of the Law of 24th July 2015 ("Lux IGA Legislation"). Under the terms of the Lux IGA, a Luxembourg resident financial institution ("Lux FI") will be obliged to comply with the provisions of the Lux IGA Legislation, rather than directly complying with the US Treasury Regulations implementing FATCA. A Lux FI that complies with the requirements of the Lux IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA ("FATCA Withholding"), provided the Lux FI properly certifies its FATCA status towards withholding agents.

The Board of Directors considered the Company to be a Lux FI that will need to comply with the requirements of the Lux IGA Legislation and classified the Company and its Subfunds as Sponsored Investment Entities under the Lux IGA. Sponsored Investment Entities qualify for a deemed-compliant status and constitute a Non-Reporting Lux FI under the Lux IGA.

For Sponsorship purposes under the Lux IGA, the Company appointed the Management Company as Sponsoring Entity, which registered in this capacity on the FATCA online registration portal of the US Internal Revenue Service ("IRS") and agreed to perform the due diligence, withholding, and reporting obligations on behalf of the Company ("Sponsoring Entity Service").

As determined in the Lux IGA, the Company retains the ultimately responsibility for ensuring that it complies with its obligations under the Lux IGA Legislation, notwithstanding the appointment of the Management Company to act as Sponsoring Entity to the Company.

In the performance of the Sponsoring Entity Service, the Management Company may use the assistance and contribution of sub-contractors, including the Company's Registrar and Transfer Agent.

Under the Lux IGA Legislation, the Management Company will be required to report to the Luxembourg Tax Authority certain holdings by and payments made to certain direct and indirect US investors in the Company, as well as investors that do not comply with the terms of FATCA or with an applicable Intergovernmental Agreement, on or after 1 July 2014 and under the terms of the Lux IGA, such information will be onward reported by the Luxembourg Tax Authority to the IRS.

Investors not holding investments in the Company directly as shareholders (i.e. legal holder of records) but via one or several nominees, including but not limited to distributors, platforms, depositaries and other financial intermediaries ("Nominees"), should inquire with such Nominees in regard to their FATCA compliance in order to avoid FATCA information reporting and/ or potentially withholding.

Additional information may be required by the Company, the Management Company or Nominees from investors in order to comply with their obligations under FATCA or under an applicable Intergovernmental Agreement with the US, e.g. to perform or refrain from information reporting and/ or potentially withholding, as applicable.



The Company reserves the right to refuse applications for the subscription of Shares or to impose a compulsory redemption of Shares if the information provided by the applicant or the shareholder does not meet the requirements of the Company for the fulfilment of its obligations under the Lux IGA or the Lux IGA regulations.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the applicable Intergovernmental Agreements may vary from country to country and is subject to review by the US, Luxembourg and other countries, and the applicable rules may change. Investors should contact their own tax or legal advisers regarding the application of FATCA to their particular circumstances.

## **25. GENERAL MEETING OF SHAREHOLDERS AND REPORTING**

The annual general meeting of shareholders of the Company takes place in Luxembourg every year at 15:00 on 20 October. If this day is not a bank business day in Luxembourg, the general meeting takes place on the following bank business day in Luxembourg. Other extraordinary general meetings of shareholders of the Company or meetings of individual Subfunds or their Share Categories may be held in addition. Invitations to the general meeting and other meetings are issued in accordance with Luxembourg law and the articles of association valid at the time. They contain information about the place and time of the general meeting, the requirements for attending the meeting, the agenda and, if necessary, the quorum requirements and majority requirements for resolutions. Furthermore, the invitation to attend the meeting may provide that the quorum and majority requirements be established on the basis of the Shares which have been issued and are outstanding on the fifth day preceding the general meeting at 12.00 midnight (Luxembourg time). A shareholder's rights to participate and vote at a general meeting will also be determined according to the number of Shares he/she owns at that point in time.

The Company's financial year begins on 1 July and ends on 30 June of the following year.

The annual financial report, which contains the Company's, respectively Subfund's, audited consolidated annual report, is available at the Company's registered office no later than fifteen (15) days before the annual general meeting. Un-audited semi-annual reports are available at the same place no later than two (2) months after the end of the half year in question. Copies of these reports may be obtained from the national representatives and from SSB-LUX.

In addition to the annual financial reports and semi-annual reports referring to all existing Subfunds, the Company may also produce special annual financial reports and semi-annual reports for one or more Subfunds.

## **26. APPLICABLE LAW, JURISDICTION**

Any legal disputes between the Company, the shareholders, the custodian bank, the Management Company, the principal paying and administrative agent, the registrar and transfer agent, the Investment Advisers and/or Investment Manager, the national representatives and any distribution agents will be subject to the jurisdiction of the Grand Duchy of Luxembourg. The applicable law is Luxembourg law. However, the above entities may, in relation to claims from shareholders from other countries, accept the jurisdiction of those countries in which Shares are offered and sold.

## **27. REMUNERATION POLICY**

In accordance with Directive 2009/65/EC, as amended by Directive 2014/91/EU (together the „UCITS Directive“), the Management Company has implemented a remuneration policy pursuant to the principles laid down in Article 14(b) of the UCITS Directive. This remuneration policy is consistent with and promotes sound and effective risk management. The remuneration policy focuses on the control of risk-taking behaviour of senior management, risk takers, employees with control functions and employees receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Company and the Subfunds.

In line with the provisions of the UCITS Directive and the guidelines issued by ESMA, each of which may be amended from time to time, the Management Company applies its remuneration policy and practices in a manner which is proportionate to its size and that of the Company, its internal organisation and the nature, scope and complexity of its activities.

Entities to which investment management activities have been delegated in accordance with Article 13 of the UCITS Directive are also subject to the requirements on remuneration under the relevant ESMA guidelines unless such entities and their relevant staff are subject to regulatory requirements on remuneration that are equally as effective as those imposed under the relevant ESMA guidelines.

This remuneration system is established in a remuneration policy, which fulfils following requirements:

- a) The remuneration policy is consistent with and promotes sound and effective risk management and discourages risk-taking behaviour.
- b) The remuneration policy is in line with the Company's strategy, objectives, values and interests of the GAM Group (including the Management Company and the UCITS which it manages, as well as the UCITS' investors) and it comprises measures to prevent conflicts of interest.
- c) The assessment of performance is set in a multi-year framework.
- d) Fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Further details relating to the current remuneration policy of the GAM Group are available on [www.funds.gam.com](http://www.funds.gam.com). This includes a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits as well as the identification of the members of the remuneration committee. A paper copy will be made available upon request and free of charge by the Management Company.

## **28. GENERAL CONFLICTS ASSOCIATED WITH THE COMPANY**

GAM (which, for purposes of this "Conflicts of Interest" section, shall mean, collectively, GAM Holding AG, GAM Investment Management (Switzerland) AG, GAM International Management Limited, GAM Systematic LLP and GAM (Italia) S.G.R. S.p.A., (together the „GAM Investment Managers“), directors, partners, trustees, managers, members, executives and employees of the GAM Group and its affiliates) provides investment services to institutions, intermediaries, private investors and charitable organizations from financial centres around the world. As such, GAM provides a wide range of financial services to a substantial and diversified client base. In those and other capacities, GAM advises clients in a wide variety of markets and transactions and purchases, sells, holds and recommends a broad array of investments (and may do so for its own accounts) and for the accounts of clients, through client accounts and the relationships and products it sponsors, manages and advises (such as GAM or other client accounts (including the Company), relationships and products collectively, the "Accounts"). GAM's activities and dealings may affect the Company in ways that may disadvantage or restrict the Subfund and/or benefit GAM or other Accounts.

The following are descriptions of certain conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests that a GAM Investment Manager and GAM may have in transactions effected by, with, and on behalf of the Company.

The sale of shares and the allocation of investment opportunities, financial and other interests may incentivise GAM to promote the sale of shares

GAM and its personnel have interests in promoting sales of Shares in the Company, and the compensation from such sales may be greater than the compensation relating to sales of interests in other Accounts. Therefore, GAM and its personnel may have a financial interest in promoting Shares in the Subfund over interests in other Accounts.

The relevant GAM Investment Manager may simultaneously manage Accounts for which the GAM Investment Manager receives greater fees or other compensation (including performance-based fees or allocations) than they receive in respect of the Company. The simultaneous management of Accounts that pay greater fees or other compensation and the Company may create a conflict of interest as the GAM Investment Manager may have an incentive to favour Accounts with the potential to receive greater fees. For instance, the GAM Investment Manager may be faced with a conflict of interest when allocating scarce investment opportunities given the possibly greater fees from Accounts that pay performance-based fees. To address these types of conflicts, the GAM Investment Manager has adopted policies and procedures under which they will allocate investment opportunities in a manner that they believe is consistent with their regulatory and fiduciary obligations as a GAM Investment Manager.

#### CONFLICTS ARISING FROM GAM'S FINANCIAL AND OTHER RELATIONSHIPS WITH INTERMEDIARIES

GAM and the Company may make payments to financial intermediaries and to salespersons to promote the Company. These payments may be made out of GAM assets or amounts payable to GAM. These payments may create an incentive for such persons to highlight, feature or recommend the Company.

#### ALLOCATION OF INVESTMENT OPPORTUNITIES AMONG THE COMPANY AND OTHER ACCOUNTS

The relevant GAM Investment Manager may manage or advise multiple Accounts (including Accounts in which GAM and its personnel may have an interest) that have investment objectives that are similar to the Company and that may seek to make investments or sell investments in the same securities or other instruments, sectors or strategies as the Company. This may create potential conflicts, particularly in circumstances where the availability of such investment opportunities is limited (e.g., in local and emerging markets, high yield securities, fixed income securities, regulated industries, real estate assets, primary and secondary interests in alternative investment funds and initial public offerings/new issues) or where the liquidity of such investment opportunities is limited.

To address these potential conflicts, GAM has developed allocation policies and procedures that provide that GAM personnel making portfolio decisions for Accounts will make purchase and sale decisions for, and allocate investment opportunities among, Accounts consistent with the relevant GAM Investment Manager's fiduciary obligations. These policies and procedures may result in the pro rata allocation (on a basis determined by the relevant GAM Investment Manager) of limited opportunities across eligible Accounts managed by a particular portfolio management team, but in other cases the allocations may reflect other factors as described below. Accounts managed by different portfolio management teams may be viewed separately for allocation purposes. There will be cases where certain Accounts receive an allocation of an investment opportunity when the Company does not.

Allocation-related decisions for the Company and other Accounts may be made by reference to one or more factors, including without limitation: the Account's investment strategy or style, risk profile, objectives, guidelines and restrictions (including legal and regulatory restrictions affecting certain Accounts or affecting holdings across Accounts) and cash and liquidity considerations. The application of these considerations may cause differences in the performance of Accounts that have strategies similar to those of the Company. In addition, in some cases the GAM Investment Manager may make investment recommendations to Accounts where the Accounts make investments independently of the GAM Investment Manager. In circumstances in which there is limited availability of an investment opportunity, if such Accounts invest in the investment opportunity prior to a Subfund, the availability of the investment opportunity for the relevant Subfund will be reduced irrespective of the GAM policies regarding allocation of investments.

The relevant GAM Investment Manager may, from time to time, develop and implement new trading strategies or seek to participate in new trading strategies and investment opportunities. These strategies and opportunities may not be employed in all Accounts or employed pro rata among Accounts where they are employed, even if the strategy or opportunity is consistent with the objectives of such Accounts.

#### GAM AND THE GAM INVESTMENT MANAGER' ACTIVITIES ON BEHALF OF OTHER ACCOUNTS

The GAM Investment Manager's decisions and actions on behalf of the relevant Subfund may differ from those on behalf of other Accounts. Advice given to, or investment or voting decisions made for, one or more Accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice given to or investment decisions made for the Company.

Transactions by such Accounts may involve the same or related securities or other instruments as those in which the Company invests, and may negatively affect the Company or the prices or terms at which a Subfund's transactions may be effected. A Subfund and Accounts may also vote differently on or take or refrain from taking different actions with respect to the same security, which may be disadvantageous to the Subfund.

GAM, on behalf of one or more Accounts and in accordance with its management of such Accounts, may implement an investment decision or strategy ahead of, or contemporaneously with, or behind similar investment decisions or strategies made for the relevant Subfund. The relative timing for the implementation of investment decisions or strategies for Accounts, on the one hand, and the Company, on the other hand, may disadvantage the relevant Subfund. Certain factors, for example, market impact, liquidity constraints, or other circumstances, could result in the relevant Subfund receiving less favourable trading results or incurring increased costs associated with implementing such investment decisions or strategies, or being otherwise disadvantaged.

Subject to applicable law, the GAM Investment Manager may cause a Subfund to invest in securities or other obligations of companies affiliated with or advised by GAM or in which GAM or Accounts have an equity, debt or other interest, or to engage in investment transactions that may result in other Accounts being relieved of obligations or otherwise divested of investments, which may enhance the profitability of GAM's or other Accounts' investment in and activities with respect to such companies.

#### GAM MAY ACT IN A CAPACITY OTHER THAN GAM INVESTMENT MANAGER TO THE SUBFUND PRINCIPAL AND CROSS TRANSACTIONS

When permitted by applicable law and the GAM Investment Manager's policies, the GAM Investment Manager, acting on behalf of the relevant Subfund, may enter into transactions in securities and other instruments with or through GAM or in Accounts managed by the relevant GAM Investment Manager, and may cause the Subfund to engage in transactions in which GAM acts as principal on their own behalf (principal transactions) or advise both sides of a transaction (cross transactions). There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit the GAM Investment Manager's decision to engage in these transactions for the Company. GAM may have a potentially conflicting division of loyalties and responsibilities to the parties in such transactions and has developed policies and procedures in relation to such transactions and conflicts. Any principal, or cross transactions will be effected in accordance with fiduciary requirements and applicable law.

Subject to applicable law, GAM or Accounts may also invest in or alongside the Company. Unless provided otherwise by agreement to the contrary, GAM or Accounts may redeem interests in the Company at any time without notice to Shareholders or regard to the effect on the relevant Subfund's portfolio, which may be adverse.

#### PROXY VOTING BY THE RELEVANT GAM INVESTMENT MANAGER

The GAM Investment Manager has adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions that it makes on behalf of advisory clients, including the Company, and to help ensure that such decisions are made in accordance with its fiduciary obligations to its clients. Notwithstanding such proxy voting policies and procedures, proxy voting decisions made by the relevant GAM Investment Manager with respect to securities held by the Subfund may benefit the interests of GAM and Accounts other than the Subfund.

#### POTENTIAL LIMITATIONS AND RESTRICTIONS ON INVESTMENT OPPORTUNITIES AND ACTIVITIES OF GAM AND THE COMPANY

The relevant GAM Investment Manager may restrict its investment decisions and activities on behalf of a Subfund in various circumstances, including as a result of applicable regulatory requirements, information held by GAM and GAM's internal policies. In addition, the GAM Investment Manager is not permitted to obtain or use material non-public information in effecting purchases and sales in public securities transactions for the relevant Subfund.

#### AGGREGATION OF TRADES BY THE GAM INVESTMENT MANAGER

The GAM Investment Manager follows policies and procedures pursuant to which they may combine or aggregate purchase or sale orders for the same security for multiple Accounts (including Accounts in which GAM has an interest) (sometimes called "bunching"), so that the orders can be executed at the same time. The GAM Investment Manager aggregates orders when it considers doing so appropriate and in the interests of its clients

generally. In addition, under certain circumstances trades for the relevant Subfund may be aggregated with Accounts in which GAM has an interest.

When an aggregated order is completely filled, the GAM Investment Manager generally will allocate the securities purchased or proceeds of sale pro rata among the participating Accounts, based on the purchase or sale order. If the order at a particular broker is filled at several different prices, through multiple trades, generally all participating Accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. There may be instances in which not all Accounts are charged the same commission or commission equivalent rates in a bunched or aggregated order.

Although it may do so in certain circumstances, the GAM Investment Manager generally does not bunch or aggregate orders for different Accounts (including the Company), or net buy and sell orders for the Company, if portfolio management decisions relating to the orders are made by separate portfolio management teams, if aggregating or netting is not appropriate or practicable from the relevant GAM Investment Manager's operational or other perspective, or if doing so would not be appropriate in light of applicable regulatory considerations.

The GAM Investment Manager may be able to negotiate a better price and lower commission rate on aggregated trades than on trades for Accounts that are not aggregated and incur lower transaction costs on netted trades than trades that are not netted. Where transactions for the relevant Subfund are not aggregated with other orders, or not netted against orders for the Subfund, that Subfund may not benefit from a better price and lower commission rate or lower transaction cost.

#### OTHER CONFLICTS OF INTERESTS

Each of the Manager, any GAM Investment Manager and any Delegate Investment Manager may in the course of their business have conflicts of interest with the Company in circumstances other than those referred to above. The Manager, the relevant GAM Investment Manager and relevant Delegate Investment Manager will, however, have regard in such event to its obligations to act in the best interests of Shareholders when undertaking any investment where conflicts of interest may arise and will seek to resolve such conflicts fairly. In the event that a conflict arises in relation to the allocation of investment opportunities, the Manager, the relevant Co-Investment Manager or the relevant Delegate Investment Manager will ensure that it is resolved fairly. In the case of the Manager and any GAM Investment Manager, such conflicts will be managed as described above under "The Sale of Shares and the Allocation of Investment Opportunities". In the case of any Delegate Investment Manager, such conflicts will be managed in accordance with that Delegate Investment Manager's trade allocation policy.

## 29. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company in Luxembourg during normal business hours on business days in Luxembourg and at the offices of the respective national representatives during their business days:

- 1a) the investment advisory and investment manager agreements, the fund administration agreement, agreements with the custodian bank, the administrator and principal paying agent as well as the registrar and transfer agent. These agreements may be amended with the approval of both parties;
- 1b) the articles of association of the Company;

The following documents may be obtained free of charge on request:

- 2a) the currently valid Key Investor Information Document and full prospectus;
- 2b) the most recent annual and semi-annual reports.

The articles of association, the Key Investor Information Document, the full prospectus, the Remuneration Policy of the GAM Group ("Group Compensation Policy") and the annual and semi-annual reports may also be obtained on the website [www.funds.gam.com](http://www.funds.gam.com).

In the event of any contradictions between the documents mentioned in the German language and any translations, the German-language version shall apply. This shall be without prejudice to mandatory deviating

regulations relating to distribution and marketing in jurisdictions in which Shares of the Company have been lawfully distributed.

### 30. DATA PROTECTION INFORMATION

Prospective investors should note that by completing the application form they are providing information to the Company, which may constitute personal data within the meaning of the Luxembourg Data Protection Act<sup>2</sup>. This data will be used for the purposes of client identification and the subscription process, administration, transfer agency, statistical analysis, market research and to comply with any applicable legal or regulatory requirements, disclosure to the Company (its delegates and agents) and, if an applicant's consent is given, for direct marketing purposes.

Data may be disclosed to third parties including:

- (a) regulatory bodies, tax authorities; and
- (b) delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA which may not have the same data protection laws as in Luxembourg) for the purposes specified. For the avoidance of doubt, each service provider to the Company (including the Management Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies) may exchange the personal data, or information about the investors in the Company, which is held by it with another service provider to the Company.

Personal data will be obtained, held, used, disclosed and processed for any one of more of the purposes set out in the application form.

Investors have a right to obtain a copy of their personal data kept by the Company and the right to rectify any inaccuracies in personal data held by the Company. In accordance with the General Data Protection Regulation (EU 2016/679) comes into effect, investors will also have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances, a right to data portability may apply. Where investors give consent to the processing of personal data, this consent may be withdrawn at any time.

Personal data will not be kept longer than necessary for the purpose of the processing, subject to the applicable legal minimum retention periods.

#### **BENEFICIAL OWNERSHIP**

The Company may also request such information (including by means of statutory notices) as may be required for the maintenance of the Company's beneficial ownership register (the "RBE") in accordance with the law of 13 January 2019 establishing a Register of Beneficial Owners (the "RBE Law"), as well as the Grand-Ducal Regulations and the CSSF regulations and circulars thereon, as amended from time to time, and in accordance with the Luxembourg law of 12 November 2004 on the fight against money laundering. Such information includes, but is not limited to, first and last name, nationality, country of residence, home or business address, national identification number and information on the nature and extent of the Beneficial Ownership held by each Beneficial Owner in the Company. The Company is further required, inter alia, (i) to provide such information upon request to certain Luxembourg national authorities (including the CSSF, the *Commissariat aux Assurances*, the *Cellule de Renseignement Financier*, the Luxembourg tax authorities and other national authorities) and (ii) to register such information in a publicly accessible central RBE. Under the RBE Law, the Beneficial Owner is liable to prosecution if it fails to comply with its obligation to inform the Company of its status as Beneficial Owner. Further, the Company is liable to prosecution if it (i) fails to comply with the terms of a beneficial ownership notice or (ii) provides materially false information in response to such a notice or (iii) fails to keep the relevant information available at its registered office.

Further details on the purpose of this processing, the various functions of the receivers of the investor's personal data, the categories of personal data concerned and the rights of the investor in relation to these personal data

<sup>2</sup> "Data Protection Act" - the Data Protection Act of 2 August 2002 in its amended or revised version, including the statutory provisions and regulations, which are issued and amended from time to time, as well as the General Data Protection Regulation (EU) 2016/679.

and any other information required under the Data Protection Act can be found in the Privacy Policy, which can be found at the following link: <https://www.gam.com/de/legal/privacy-policy>.

## **MULTICOOPERATION SICAV**

**JULIUS BAER STRATEGY BALANCED (CHF)**  
**JULIUS BAER STRATEGY BALANCED (EUR)**  
**JULIUS BAER STRATEGY BALANCED (USD)**  
**JULIUS BAER STRATEGY GROWTH (CHF)**  
**JULIUS BAER STRATEGY GROWTH (EUR)**  
**JULIUS BAER STRATEGY INCOME (CHF)**  
**JULIUS BAER STRATEGY INCOME (EUR)**  
**JULIUS BAER STRATEGY INCOME (USD)**  
**JULIUS BAER GLOBAL EXCELLENCE EQUITY**  
**JULIUS BAER EQUITY FUND SPECIAL VALUE**  
**JULIUS BAER EQUITY ASIA**  
**JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE**  
**JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA**  
**JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE**  
**JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD)**  
**JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR)**  
**JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD**  
**JULIUS BAER DYNAMIC ASSET ALLOCATION**  
**JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED**  
**JULIUS BAER EQUITY NEXT GENERATION**  
**JULIUS BAER EQUITY SUSTAINABILITY**  
**JULIUS BAER FIXED INCOME ASIA**  
**JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS**  
**JULIUS BAER FIXED MATURITY 2024 ASIA**  
**JULIUS BAER ASIA REITS**

Subfunds of MULTICOOPERATION SICAV, an open-ended investment company (Société d'Investissement à Capital Variable, SICAV) established under the laws of Luxembourg, which were launched for Bank Julius Bär & Co. AG, Zurich, by GAM (Luxembourg) S.A., Luxembourg

**SPECIAL PART A: 10 MARCH 2021**



This Part of the prospectus supplements the General Part with respect to the Subfunds JULIUS BAER STRATEGY BALANCED (CHF), JULIUS BAER STRATEGY BALANCED (EUR), JULIUS BAER STRATEGY BALANCED (USD), JULIUS BAER STRATEGY GROWTH (CHF), JULIUS BAER STRATEGY GROWTH (EUR), JULIUS BAER STRATEGY INCOME (CHF), JULIUS BAER STRATEGY INCOME (EUR), JULIUS BAER STRATEGY INCOME (USD), JULIUS BAER GLOBAL EXCELLENCE EQUITY, JULIUS BAER EQUITY FUND SPECIAL VALUE, JULIUS BAER EQUITY ASIA, JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE, JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA, JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE, JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD), JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR), JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD, JULIUS BAER DYNAMIC ASSET ALLOCATION, JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED, JULIUS BAER EQUITY NEXT GENERATION, JULIUS BAER EQUITY SUSTAINABILITY, JULIUS BAER FIXED INCOME ASIA, JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS, JULIUS BAER FIXED MATURITY 2024 ASIA and JULIUS BAER ASIA REITS. Where reference is made in this Document collectively to the Subfunds, they shall be referred to hereinafter as **“BJB-Funds”**.

The provisions as set out hereinafter must be read in conjunction with the corresponding statements made in the General Part of the prospectus.

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## 1. ISSUE OF THE SHARES IN THE BJB-FUNDS

The shares in the BJB-FUNDS were offered for subscription for the first time as set out below. The stated initial issue price is understood to apply per share plus a selling fee charged by the distributor of up to 5% maximum of the issue price.

SUBFUND		SUBSCRIPTION PERIOD	ISSUE PRICE
1.	JULIUS BAER STRATEGY BALANCED (CHF)	2 May 1994	CHF 100.--
2.	JULIUS BAER STRATEGY BALANCED (EUR)	23 – 29 July 1999	EUR 100.--
3.	JULIUS BAER STRATEGY BALANCED (USD)	30 November 2005	USD 100.--
4.	JULIUS BAER STRATEGY GROWTH (CHF)	22 – 30 May 2000	CHF 100.--
5.	JULIUS BAER STRATEGY GROWTH (EUR)	22 – 30 May 2000	EUR 100.--
6.	JULIUS BAER STRATEGY INCOME (CHF)	23 – 29 July 1999	CHF 100.--
7.	JULIUS BAER STRATEGY INCOME (EUR)	23 – 29 July 1999	EUR 100.--
8.	JULIUS BAER STRATEGY INCOME (USD)	15 Sep. – 10 Oct. 2003	USD 100.--
9.	JULIUS BAER GLOBAL EXCELLENCE EQUITY	18 July 2013	EUR 131.57 ****)
10.	JULIUS BAER EQUITY FUND SPECIAL VALUE	18 July 2013	*)
11.	JULIUS BAER EQUITY ASIA (Until 5 July 2018: JULIUS BAER EQUITY GLOBAL EXCELLENCE EMERGING MARKETS)	28. July 2014	USD 100
12.	JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE	15. July 2014	EUR 100
13.	JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA	15. July 2014	USD 100
14.	JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE (Until 07 March 2019 Julius Baer FIXED INCOME EMERGING MARKETS HARD CURRENCY)	4. August 2014	USD 100
15.	JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD) (Until 5 July 2018: JULIUS BAER FIXED INCOME GLOBAL HIGH INVESTMENT GRADE)	15. July 2014	EUR 100**)
16.	JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR) (Until 5 July 2018: JULIUS BAER FIXED INCOME GLOBAL LOW INVESTMENT GRADE)	21. July 2014	EUR 100
17.	JULIUS BAER FIXED INCOME GLOBAL HIGH YIELD (As of 16.06.2020 JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD)	22 April 2016	USD 100
18.	JULIUS BAER DYNAMIC ASSET ALLOCATION	16 – 23 February 2018	USD 100
19.	JULIUS BAER EQUITY NEXT GENERATION	16 – 23 February 2018	USD 100
20.	JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED	30 November 2017	USD 100
21.	JULIUS BAER EQUITY SUSTAINABILITY	Open***)	USD 100
22.	JULIUS BAER FIXED INCOME ASIA	17.07.2020	USD 100
23.	JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS	12 – 20.10.2020	USD 100

24.	JULIUS BAER FIXED MATURITY 2024 ASIA	05 – 17.06.2020	USD 100
25.	JULIUS BAER ASIA REITS	1.07.2020	USD 100

- \*) The initial issue price was equal to the net asset value as of 18 July 2013 of the UCITS Luxembourg law “Julius Baer Strategy Fund – Julius Baer Equity Fund Special Value”, which is available on the internet on [www.funds.gam.com](http://www.funds.gam.com).
- \*\*) As at 06 July 2018, the accounting currency of the Subfund JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD) has been changed from EUR to USD.
- \*\*\*) The Company will determine the initial subscription period of the Subfunds at its own discretion at a later date. The date of issue shall be announced by publication in the “Luxembourg Word” and, if applicable, in other publication media chosen by the Company. In addition, the prospectus will be adjusted accordingly at the next submission.
- \*\*\*\*) As at 22 February 2019, the accounting currency of the Subfund JULIUS BAER GLOBAL EXCELLENCE EQUITY has been changed from EUR to USD.

## 2. INVESTMENT OBJECTIVES AND POLICY OF BJB-FUNDS

### 2.1 INVESTMENT OBJECTIVES AND POLICY OF JULIUS BAER STRATEGY BALANCED (CHF), JULIUS BAER STRATEGY BALANCED (EUR) AND JULIUS BAER STRATEGY BALANCED (USD)

The Company’s investment objective for the Subfunds

- Multicooperation SICAV – JULIUS BAER STRATEGY BALANCED (CHF) (“**JULIUS BAER STRATEGY BALANCED (CHF)**”),
- Multicooperation SICAV – JULIUS BAER STRATEGY BALANCED (EUR) (“**JULIUS BAER STRATEGY BALANCED (EUR)**”)
- and
- Multicooperation SICAV – JULIUS BAER STRATEGY BALANCED (USD) (“**JULIUS BAER STRATEGY BALANCED (USD)**”)

is to generate a steady return in their reference currency, as indicated below, reflecting the conditions on the financial markets. The focus is on long-term performance. Commensurate risks in the form of fluctuations in value are taken into account. To this end, the Company invests the assets of these Subfunds in the following investment vehicles.

#### TRADITIONAL INVESTMENTS:

- (i) Within an investment scope of between 30% and 70% of the assets of the respective Subfund: fixed-interest or floating rate securities, debt securities and claims, and other fixed-interest investments (including convertible and warrant bonds, inflation-linked bonds, emerging-market bonds, high-yield bonds as well as asset backed securities (ABS) and mortgage backed securities (MBS) [ABS and MBS together max. 20% of the assets of each Subfund]) issued or guaranteed by issuers worldwide. Investments as defined in (viii) which have one of the legal forms described in this paragraph do not come within the investment scope described here.
- (ii) Within an investment scope of between 20% and 60% of the respective Subfund’s assets: stocks and other equities and equity rights of companies worldwide, including issuers in emerging market countries. This scope also includes equities and other equity securities of real-estate companies and listed closed-ended real-estate funds and listed real-estate investment trusts (REITs). Investments as defined in (vi), (vii) and (viii) which have one of the legal forms described in this paragraph do not come within the investment scope described here.
- (iii) Within an investment scope of between 0% and 49% of the assets of the respective Subfund: money-market instruments, which have a total expiration period of up to 12 months at the time of issue, as well as sight deposits and deposits at notice as defined in section 5 of the General Part.

Investments according to (i), (ii) and (iii) can also be made indirectly by means of derivatives and structured products or by acquiring units of other UCITS or UCI, including ETFs (together: target funds), within the meaning and subject to the restrictions of section 5 of the General Part.

**ALTERNATIVE INVESTMENTS:**

Alternative investments, as described below, may be made within a scope of from 0% up to a maximum total of 25% of the assets of the respective Subfund.

1. Derivative instruments and structured products on commodity indices (or corresponding sub-indices) which are representative, broadly diversified and appropriately published and which in each case meet the requirements of Articles 8 and 9 or, as applicable, Article 2 of Directive 2007/16/EC, and commodity funds and commodity ETFs within the meaning and subject to the restrictions of section 5 of the General Part, and listed structured products on individual commodities which according to their prospectuses are deemed to be a suitable investment for a UCITS, in which no derivatives are embedded, within the meaning of Article 41 (1) of the 2010 Law and where physical delivery of the underlying asset is excluded.
2. Units of open-ended funds or open-ended ETFs investing in precious metals, in which no derivatives are embedded and which are in line with Article 41 (1) of the 2010 Law.
3. Derivative instruments and structured products on hedge fund indices (or corresponding sub-indices), which are representative, broadly diversified and appropriately published and which in each case meet the requirements of Articles 8 and 9 or, as applicable, Article 2 of Directive 2007/16/EC, and units of UCITS that invest mainly in alternative strategies, and listed units of investment companies, holding companies or closed-ended UCIs that mainly invest in hedge funds.
4. Listed private equity, that is, listed units of investment companies, holding companies or closed-ended UCIs that mainly invest in equity securities and equity rights which are traded neither on a stock exchange nor on another regulated market.
5. Listed units of investment companies, holding companies or closed-ended UCIs or open-ended UCITS or UCIs that mainly invest in so-called disaster bonds and other insurance linked securities.

The Subfunds may also hold liquidity.

By way of derogation from the provisions of the General Part, more than 10% but no more than a total of 49% of the assets of the respective Subfund may be invested in target funds.

The Subfunds are denominated in the following **reference currencies**:

- JULIUS BAER STRATEGY BALANCED (CHF) is denominated in Swiss francs.
- JULIUS BAER STRATEGY BALANCED (EUR) is denominated in Euro.
- JULIUS BAER STRATEGY BALANCED (USD) is denominated in US dollars.

The investments shall be made in the reference currency of the respective Subfund and, also without currency hedging, in other currencies up to a maximum of 60% of the respective Subfund's assets. Consequently, the Reference Currency is not identical to the investment currency in every case, and losses due to currency variations cannot be ruled out. The specific classes of security, markets and currencies shall be weighted in accordance with principles which not only are based on the expected return of an investment but which also view such return in the context of the expected risk.

For these Subfunds investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. They include in particular the countries included in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index. **In connection with investments in emerging market countries, please refer to the section "Information on Investments in Emerging Market Countries" below.**

Direct investments in the People's Republic of China can be made solely via "China-H" shares, i.e. shares of companies having their registered office in the People's Republic of China, which are listed on the Hong Kong

Stock Exchange and denominated in Hong Kong dollars and which are in accordance with Article 41 (1) of the 2010 Law.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management, as well as for active investment in transferable securities and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and, in particular, call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

## 2.2 INVESTMENT OBJECTIVES AND POLICY OF JULIUS BAER STRATEGY GROWTH (CHF) AND JULIUS BAER STRATEGY GROWTH (EUR)

The Company's investment objective for the Subfunds

- Multicooperation SICAV – JULIUS BAER STRATEGY GROWTH (CHF) ("JULIUS BAER STRATEGY GROWTH (CHF)") and
- Multicooperation SICAV – JULIUS BAER STRATEGY GROWTH (EUR) ("JULIUS BAER STRATEGY GROWTH (EUR)")

is to generate a steady return in their reference currency, as indicated below, reflecting the conditions on the financial markets. The focus is on long-term performance. Commensurate risks in the form of fluctuations in value are taken into account. To this end, the Company invests the assets of these Subfunds in the following investment vehicles.

### TRADITIONAL INVESTMENTS:

- (i) Within an investment scope of between 10% and 60% of the assets of the respective Subfund: fixed-interest or floating rate securities, debt securities and claims, and other fixed-interest investments (including convertible and warrant bonds, inflation-linked bonds, emerging-market bonds, high-yield bonds as well as asset backed securities (ABS) and mortgage backed securities (MBS) [ABS and MBS together max. 20% of the assets of each Subfund]) issued or guaranteed by issuers worldwide. Investments as defined in (viii) which have one of the legal forms described in this paragraph do not come within the investment scope described here.
- (ii) Within an investment scope of between 40% and 90% of the respective Subfund's assets: stocks and other equities and equity rights of companies worldwide, including issuers in emerging market countries. This scope also includes equities and other equity securities of real-estate companies and listed closed-ended real estate funds and listed real estate investment trusts (REITs). Investments as defined in (vi), (vii) and (viii) which have one of the legal forms described in this paragraph do not come within the investment scope described here.
- (iii) Within an investment scope of between 0% and 49% of the assets of the respective Subfund: money-market instruments, which have a total expiration period of up to 12 months at the time of issue, as well as sight deposits and deposits at notice as defined in section 5 of the General Part.

Investments according to (i), (ii) and (iii) can also be made indirectly by means of derivative instruments and structured products or by acquiring units of other UCITS or UCI, including ETFs (together: target funds), within the meaning and subject to the restrictions of section 5 of the General Part.

### ALTERNATIVE INVESTMENTS

Alternative investments, as described below, may be made within a scope of from 0% up to a maximum total of 25% of the assets of the respective Subfund.

- (iv) Derivative instruments and structured products on commodity indices (or corresponding sub-indices) which are representative, broadly diversified and appropriately published and which in each case meet the requirements of Articles 8 and 9 or, as applicable, Article 2 of Directive 2007/16/EC, and commodity funds and commodity ETFs within the meaning and subject to the restrictions of section 5 of the General Part,

and listed structured products on individual commodities which according to their prospectuses are deemed to be a suitable investment for a UCITS, in which no derivatives are embedded, within the meaning of Article 41 (1) of the 2010 Law and where physical delivery of the underlying asset is excluded.

- (v) Units of open-ended funds or ETFs investing in open-ended precious metals, in which no derivatives are embedded and which are in line with Article 41 (1) of the 2010 Law.
- (vi) Derivative instruments and structured products on hedge fund indices (or corresponding sub-indices), which are representative, broadly diversified and appropriately published and which in each case meet the requirements of Articles 8 and 9 or, as applicable, Article 2 of Directive 2007/16/EC, and units of UCITS that invest mainly in alternative strategies, and listed units of investment companies, holding companies or closed-ended UCIs that invest mainly in hedge funds.
- (vii) Listed private equity, that is, listed units of investment companies, holding companies or closed-ended UCIs that invest mainly in equity securities and equity rights which are neither traded on a stock exchange nor on another regulated market.
- (viii) Listed units of investment companies, holding companies or closed-ended UCIs or open-ended UCITS or UCIs that invest mainly in so-called disaster bonds and other insurance linked securities.

The Subfunds may also hold liquidity.

By way of derogation from the provisions of the General Part, more than 10% but no more than a total of 49% of the assets of the respective Subfund may be invested in target funds.

The Subfunds are denominated in the following **reference currencies**:

- JULIUS BAER STRATEGY GROWTH (CHF) is denominated in Swiss francs.
- JULIUS BAER STRATEGY GROWTH (EUR) is denominated in Euro.

The investments shall be made in the reference currency of the respective Subfund and, also without currency hedging, in other currencies up to a maximum of 65% of the respective Subfund's assets. Consequently, the currency of investments may differ to the aforementioned extent from the Reference Currency mentioned in the name of the fund. Losses due to currency variations therefore cannot be ruled out. The specific classes of security, markets and currencies shall be weighted in accordance with principles which not only are based on the sole return of an investment but which also view such return in the context of the expected risk.

For these Subfunds investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. They include in particular the countries included in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index.

**In connection with investments in emerging market countries, please refer to the section "Information on Investments in Emerging Market Countries" below.**

Direct investments in the People's Republic of China can be made solely via "China-H" shares, i.e. shares of companies having their registered office in the People's Republic of China, which are listed on the Hong Kong Stock Exchange and denominated in Hong Kong dollars and which are in accordance with Article 41 (1) of the 2010 Law.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management as well as for active investment in transferable securities and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investments in Derivative Instruments and Structured Products".**

## 2.3 INVESTMENT OBJECTIVES AND POLICY OF JULIUS BAER STRATEGY INCOME (CHF), JULIUS BAER STRATEGY INCOME (EUR) AND JULIUS BAER STRATEGY INCOME (USD)

The Company's investment objective for the Subfunds

- Multicooperation SICAV – JULIUS BAER STRATEGY INCOME (CHF) “**JULIUS BAER STRATEGY INCOME (CHF)**”),
- Multicooperation SICAV – JULIUS BAER STRATEGY INCOME (EUR) “**JULIUS BAER STRATEGY INCOME (EUR)**”) and
- Multicooperation SICAV – JULIUS BAER STRATEGY INCOME (USD) “**JULIUS BAER STRATEGY INCOME (USD)**”)

is to generate a steady return in their reference currency, as indicated below, reflecting the conditions on the financial markets. The focus is on long-term performance. Commensurate risks in the form of fluctuations in value are taken into account. To this end, the Company invests the assets of these Subfunds in the following investment vehicles.

### TRADITIONAL INVESTMENTS:

- Within an investment scope of between 50% and 90% of the assets of the respective Subfund: fixed-interest or floating rate securities, debt securities and claims, and other fixed-interest investments (including convertible and warrant bonds, inflation-linked bonds, emerging-market bonds, high-yield bonds as well as asset backed securities (ABS) and mortgage backed securities (MBS) [ABS and MBS together max. 20% of the assets of each Subfund]) issued or guaranteed by issuers worldwide. Investments as defined in (viii) which have one of the legal forms described in this paragraph do not come within the investment scope described here.
- Within an investment scope of between 10% and 35% of the respective Subfund's assets: equities and other equity securities and equity rights of companies worldwide, including issuers in emerging market countries. This scope also includes equities and other equity securities of real-estate companies and listed closed-ended real estate funds and listed real estate investment trusts (REITs). Investments as defined in (vi), (vii) and (viii) which have one of the legal forms described in this paragraph do not come within the investment scope described here.
- Within an investment scope of between 0% und 49% of the respective Subfund's assets: money-market instruments, which have a total expiration period of up to 12 months at the time of issue, as well as sight deposits and deposits at notice as defined in section 5 of the General Part.

Investments according to (i), (ii) and (iii) can also be made indirectly by means of derivative instruments and structured products or by acquiring units of other UCITS or UCI, including ETFs (together: target funds), within the meaning and subject to the restrictions of section 5 of the General Part.

### ALTERNATIVE INVESTMENTS

Alternative investments, as described below, may be made within a scope of from 0% up to a maximum total of 25% of the assets of the respective Subfund.

- Derivative instruments and structured products on commodity indices (or corresponding sub-indices) which are representative, broadly diversified and appropriately published and which in each case meet the requirements of Articles 8 and 9 or, as applicable, Article 2 of Directive 2007/16/EC, and commodity funds and commodity ETFs within the meaning and subject to the restrictions of section 5 of the General Part, and listed structured products on individual commodities which according to their prospectuses are deemed to be a suitable investment for a UCITS, in which no derivatives are embedded, within the meaning of Article 41 (1) of the 2010 Law and where physical delivery of the underlying asset is excluded.
- Units of open-ended funds or open-ended ETFs investing in precious metals, in which no derivatives are embedded and which are in line with Article 41 (1) of the 2010 Law.
- Derivative instruments and structured products on hedge fund indices (or corresponding sub-indices), which are representative, broadly diversified and appropriately published and which in each case meet the requirements of Articles 8 and 9 or, as applicable, Article 2 of Directive 2007/16/EC, and units of



UCITS that invest mainly in alternative strategies, and listed units of investment companies, holding companies or closed-ended UCIs that invest mainly in hedge funds.

- (vii) Listed private equity, that is, listed units of investment companies, holding companies or closed-ended UCIs that invest mainly in equity securities and equity rights which are neither traded on a stock exchange nor on another regulated market.
- (viii) Listed units of investment companies, holding companies or closed-ended UCIs or open-ended UCITS or UCIs that invest mainly in so-called disaster bonds and other insurance linked securities.

The Subfunds may also hold liquidity.

By way of derogation from the provisions of the General Part, more than 10% but no more than a total of 49% of the assets of the respective Subfund may be invested in target funds.

The Subfunds are denominated in the following **reference currencies**:

- JULIUS BAER STRATEGY INCOME (CHF) is denominated in Swiss francs.
- JULIUS BAER STRATEGY INCOME (EUR) is denominated in Euro.
- JULIUS BAER STRATEGY INCOME (USD) is denominated in US dollars.

The investments shall be made in the reference currency of the respective Subfund and, also without currency hedging, in other currencies up to a maximum of 55% of the respective Subfund's assets. Consequently, the reference currency is not identical to the investment currency in every case, and losses due to currency variations cannot be ruled out. The specific classes of security, markets and currencies shall be weighted in accordance with principles which not only are based on the expected return of an investment, but which also view such return in the context of the expected risk.

For these Subfunds, investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. They include in particular the countries included in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index. **In connection with investments in emerging market countries, please refer to the section "Information on Investments in Emerging Market Countries" below.**

Direct investments in the People's Republic of China can be made solely via "China-H" shares, i.e. shares of companies having their registered office in the People's Republic of China, which are listed on the Hong Kong Stock Exchange and denominated in Hong Kong dollars and which are in accordance with Article 41 (1) of the 2010 Law.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management as well as for active investment in transferable securities and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

## 2.4 INVESTMENT OBJECTIVES AND POLICY OF JULIUS BAER GLOBAL EXCELLENCE EQUITY

The investment objective of the Company in relation to JULIUS BAER GLOBAL EXCELLENCE EQUITY is to achieve a high capital growth with a steady return, taking into consideration the guarantee of the capital and the liquidity of the assets.

For such purpose the Company invests at least two thirds of the assets of the Subfund in a portfolio of shares and other equity securities and equity rights of companies worldwide, including issuers in emerging market countries. This scope also includes equities and other equity securities of real-estate companies and listed closed-ended real estate funds and listed real estate investment trusts (REITs).

Up to one third of the assets of the JULIUS BAER GLOBAL EXCELLENCE EQUITY may also be invested in the following securities: (i) fixed-interest or floating-rate securities as well as money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide; (ii) sight deposits and deposits at notice (iii) structured products on equities and other equity securities (up to max. 10% of the assets); (iv) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). In addition, up to max. 10% of the assets of the Subfund may be invested in Exchange Traded Commodities (ETCs) (so called Delta 1 certificates), commodity funds and investments in precious metal accounts; provided that the assets are settled in cash and payments in kind are excluded. ETCs are deemed to be suitable investment assets within the meaning of Article 41 (1) of the 2010 Law, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.

Ancillary liquid assets may be held which under certain circumstances, and in derogation of the 2/3 rule in the second paragraph of this section, may amount up to 49% of the net assets.

The JULIUS BAER GLOBAL EXCELLENCE EQUITY is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

For this Subfund investments can be acquired which are either issued by issuers of emerging market countries ("Emerging Market Countries") and/or are denominated in currencies of Emerging Market Countries or which are economically linked to the currency of Emerging Market Countries. Emerging Market Countries generally mean markets in countries currently developing into modern industrialised countries, with the result that they exhibit high potential but also increased risk. In particular, these include the countries included in the *S&P Emerging Broad Market Index* or the *MSCI Emerging Markets Index*. **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

Direct investments in the People's Republic of China are made solely through "China-H" shares, i.e. shares of companies with their place of business in the People's Republic of China, which are listed on the Hong Kong Stock Exchange and which are denominated in Hong Kong dollar and which fulfil the requirements of Art. 41 (1) of the 2010 Law.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of efficient portfolio management.

The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

## 2.5 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER EQUITY FUND SPECIAL VALUE

The investment objective of the Company in relation to JULIUS BAER EQUITY FUND SPECIAL VALUE is to achieve an above-average long-term capital growth.

For this purpose the JULIUS BAER EQUITY FUND SPECIAL VALUE invests worldwide at least two thirds of its assets in a portfolio of carefully selected shares and other equity securities of companies which, in the opinion of the Company, are strongly undervalued and can expect a high market price and which have their place of business or the major part of their business activities in recognised countries. The country, sector and title selection are adjusted according to the market situation, therefore the investment focus may greatly vary as appropriate.

Up to a maximum of one third of the assets of the JULIUS BAER EQUITY FUND SPECIAL VALUE may also be invested in fixed-interest or floating-rate securities as well as in convertible and warrant bonds (max. 25% of the assets) issued by issuers from recognised countries. Up to a maximum of 15% of the assets of the JULIUS BAER EQUITY FUND SPECIAL VALUE may be invested in warrants on shares and other equity securities. Purchases of such warrants involve increased risks due to the higher volatility of such investments. In addition, up to max. 10% of the assets of the Subfund may be invested in Exchange Traded Commodities (ETCs) (so

called Delta 1 certificates), commodity funds and investments in precious metal accounts; provided that the assets are settled in cash and payments in kind are excluded. ETCs are deemed to be suitable investment assets within the meaning of Article 41 (1) of the 2010 Law, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.

The JULIUS BAER EQUITY FUND SPECIAL VALUE is denominated in Euro. The investments of the JULIUS BAER EQUITY FUND SPECIAL VALUE may be denominated in Euro or other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

For this Subfund investments can be acquired which are either issued by issuers from emerging market countries ("Emerging Market Countries") and/or are denominated in currencies of emerging market countries or which are economically linked to the currency of Emerging Market Countries. Emerging Market Countries generally mean markets in countries currently developing into modern industrialised countries, with the result that they exhibit high potential but also increased risk. In particular, these include the countries included in the *S&P Emerging Broad Market Index* or the *MSCI Emerging Markets Index*. **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

Direct investments in the People's Republic of China are made solely through "China-H" shares, i.e. shares of companies with their place of business in the People's Republic of China, which are listed on the Hong Kong Stock Exchange and which are denominated in Hong Kong dollar and which fulfil the requirements of Art. 41 (1) of the 2010 Law.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of efficient portfolio management.

The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

## 2.6 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER EQUITY ASIA

The investment objective of the Company in relation to JULIUS BAER EQUITY ASIA is to achieve a maximum of capital growth with a steady return, taking into consideration the principle of risk limitation and the liquidity of the assets.

For this purpose the Company invests at least two thirds of the assets of the Subfund in shares and other equity securities and equity rights of companies which have their place of business or the major part of their business activities in Asia. This scope also includes equities and other equity securities of real-estate companies and listed closed-ended real estate funds and listed real estate investment trusts (REITs).

Up to one third of the assets of the JULIUS BAER EQUITY ASIA may also be invested in the following securities: (i) shares and other equity securities and equity rights of companies worldwide; (ii) fixed-interest or floating-rate securities as well as money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide; (iii) sight deposits and deposits at notice; (iv) structured products on equities and other equity securities (up to max. 10% of the assets); (v) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in structured products as defined in (iv) and funds as defined in (v), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets. In addition, up to max. 10% of the assets of the Subfund may be invested in Exchange Traded Commodities (ETCs) (so called Delta 1 certificates), commodity funds and investments in precious metal accounts; provided that the assets are settled in cash and payments in kind are excluded. ETCs are deemed to be suitable investment assets within the meaning of Article 41 (1) of the 2010 Law, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.

Ancillary liquid assets may be held which under certain circumstances and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the net assets.

Investments in China may also be made indirectly by purchasing share-based products, in particular ADRs (American depositary receipts) and GDRs (global depositary receipts), which comply with the provisions of article 41 of the 2010 Law and which do not invest in derivatives, or Exchange Traded Funds (ETFs) and other investment funds.

The JULIUS BAER EQUITY ASIA is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%.

For this Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index. **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

Direct investments in China are made in what are referred to as "China-A", "China-B", "China H" shares or shares of Chinese companies that are quoted on another foreign exchange outside the People's Republic of China (PRC). "China A" and "China B" shares are securities quoted on the stock exchanges of Shanghai and/or Shenzhen. "China A" shares are denominated in Renminbi and can be bought through the Shanghai Hong Kong Stock Connect Programme or Shenzhen-Hong Kong Stock Connect Programme. Investments in "China A" shares comply with the conditions imposed by article 41 paragraph 1 of the 2010 Law. The Subfund may invest a maximum of 10% of its assets in China-A shares. "China B" shares are quoted on the stock exchanges of Shanghai or Shenzhen and represent equity of companies traded in foreign currency. The face value of "China B" shares is determined in Renminbi. In Shanghai, "China B" shares are traded in US dollars and in Shenzhen, in Hong Kong dollars. "China H" shares are shares of companies which have their registered office in the PRC, are listed on the Hong Kong Stock Exchange and are denominated in Hong Kong dollars.

**Furthermore, investors should be aware of the increased risk associated with investments in "China A" shares, which is described in the section 3.6 "Risks associated with investments in the People's Republic of China".**

## 2.7 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE

The investment objective of the Company in relation to JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE is to achieve a maximum of capital growth with a steady return, taking into consideration the principle of risk limitation and the liquidity of the assets.

For this purpose the Company will invest at least two-thirds of the assets of the subfund in shares and other equity securities and equity rights of companies having their registered office or the major part of their business activities in Europe. This scope also includes equities and other equity securities of real-estate companies and listed closed-ended real estate funds and listed real estate investment trusts (REITs).

Up to one third of the assets of the JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE may also be invested in the following securities: (i) shares and other equity securities of other companies worldwide; (ii) fixed-interest or floating rate securities as well as money market instruments (which have a total expiration period of up

to 12 months at the time of issue), of issuers worldwide; (iii) sight deposits and deposits at notice; (iv) structured products on equities and other equity securities (up to max. 10% of the assets); (v) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in structured products as defined in (iv) and funds as defined in (v), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets. In addition, up to max. 10% of the assets of the Subfund may be invested in Exchange Traded Commodities (ETCs) (so called Delta 1 certificates), commodity funds and investments in precious metal accounts; provided that the assets are settled in cash and payments in kind are excluded. ETCs are deemed to be suitable investment assets within the meaning of Article 41 (1) of the 2010 Law, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.

Ancillary liquid assets may be held which under certain circumstances and in derogation of the 2/3 rule in the second paragraph of this section, may amount up to 49% of the net assets.

JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE is denominated in Euro. The investments may be denominated in the reference currency EUR or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices.

For this Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index. **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

Direct investments in the People's Republic of China are made solely through "China-H" shares, i.e. shares of companies with their place of business in the People's Republic of China, which are listed on the Hong Kong Stock Exchange and which are denominated in Hong Kong dollar and which fulfil the requirements of Art. 41 (1) of the 2010 Law.

**In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

The Subfund is linked to the reference index MSCI Europe TR Net local which represents the European equity market. JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE is actively managed and aims to outperform the reference index over the long term. The majority of the Subfund's securities will normally be included in the reference Index. The Investment Manager may, at its discretion and in accordance with the Prospectus, also invest in securities not included in the reference index in order to take advantage of specific investment opportunities. The deviation of the Subfund's portfolio from the reference Index may be significant both in terms of the selection and weighting of the Fund's investments.

## 2.8 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA

The investment objective of the Company in relation to JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA is to achieve a maximum of capital growth with a steady return, taking into consideration the principle of risk limitation and the liquidity of the assets.

For this purpose the Company will invest at least two-thirds of the assets of the subfund in shares and in other equity securities and equity rights of companies having their registered office or the major part of their business

activities in North America. This scope also includes equities and other equity securities of real-estate companies and listed closed-ended real estate funds and listed real estate investment trusts (REITs).

Up to one third of the assets of the JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA may also be invested in the following securities: (i) shares and other equity securities of other companies worldwide; (ii) fixed-interest or floating rate securities as well as money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide; (iii) sight deposits and deposits at notice; (iv) structured products on equities and other equity securities (up to max. 10% of the assets); (v) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in structured products as defined in (iv) and funds as defined in (v), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives must cumulatively fall below 10% of assets. In addition, up to max. 10% of the assets of the Subfund may be invested in Exchange Traded Commodities (ETCs) (so called Delta 1 certificates), commodity funds and investments in precious metal accounts; provided the assets are settled in cash and no physical delivery takes place. ETCs are deemed to be suitable investment assets within the meaning of Article 41 (1) of the 2010 Law, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.

Ancillary liquid assets may be held which under certain circumstances and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the net assets.

JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA is denominated in US Dollar. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices.

For this Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index. **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

Direct investments in the People's Republic of China are made solely through "China-H" shares, i.e. shares of companies with their place of business in the People's Republic of China, which are listed on the Hong Kong Stock Exchange and which are denominated in Hong Kong dollar and which fulfil the requirements of Art. 41 (1) of the 2010 Law.

**In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

## 2.9 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE

The investment objective of the Company in relation to JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE is to achieve a maximum of capital growth with a steady return, taking into consideration the principle of risk limitation and the liquidity of the assets.

For this purpose the Company will invest at least two-thirds of the assets of the subfund in fixed-interest and floating-rate securities, debt securities and claims as well as other fixed-interest investments (including convertible and warrant bonds, inflation-linked bonds, emerging-market bonds, high-yield bonds, CoCo-Bonds, Hybrid-Bonds, as well as asset backed securities (ABS) and mortgage backed securities (MBS)) issued or guaranteed by issuers having their registered office or the major part of their business activities in emerging countries. The investments are denominated in the currencies of the emerging countries, whereas at least 70% are denominated in USD.

At least 50% of the investments have a rating of at least BBB- ("Investment Grade") from Standard & Poor's or Moody's or the equivalent of another recognised rating agency such as Fitch. Investments in ABS and MBS amount together up to a maximum of 20% of the Subfund's assets. Furthermore, investments in CoCo-Bonds and Hybrid-Bonds in total are limited to a maximum of 20% of the Subfund's assets. **In connection with investments in Asset and Mortgage Backed Securities and in Coco-Bonds, please refer respectively to the sections "Information on Investments in ABS and MBS" and "Information on CoCo-Bonds".**

Up to one third of the assets of the Subfund in question may also be invested in the following securities: (i) fixed-interest or floating rate securities as well as money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide; (ii) sight deposits and deposits at notice; (iii) structured products on equities and other equity securities or similar investments (up to max. 10% of the assets); (iv) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in structured products as defined in (iii) and funds as defined in (iv), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets.

Ancillary liquid assets may be held which under certain circumstances and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the assets. In addition, the Subfund may invest up to a maximum of 10% of its assets in shares, stock rights, option rights and other equity securities, other capital shares and participation certificates acquired through the exercise of conversion and subscription rights or options. Shares acquired by exercise or subscription must be sold no later than 12 months after acquisition.

JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE is denominated in US Dollar. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%.

For this Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the ICE BofAML Emerging Markets Corporate Plus index (EMCB) or JPM CEMBI Broad Diversified Index (JBCDCOMP). **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

## 2.10 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR)

The investment objective of the Company in relation to JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR) is to achieve a maximum of return with limited risk, taking into consideration the liquidity of the assets.

For this purpose the Company will invest at least two-thirds of the assets of the subfund in fixed-interest and floating-rate securities, debt securities and claims as well as other fixed-interest investments (including convertible and warrant bonds, inflation-linked bonds, high-yield bonds as well as CoCo-Bonds, Hybrid-Bonds, asset backed securities (ABS) and mortgage backed securities (MBS)) issued or guaranteed by issuers from developed countries. At least two thirds of the investments have a rating of at least BBB- from Standard & Poor's or the equivalent of another recognised rating agency such as Moody's or Fitch. Investments in ABS and MBS amount together up to a maximum of 20% of the Subfund's assets. Furthermore, investments in CoCo-Bonds and Hybrid-Bonds in total are limited to a maximum of 20% of the Subfund's assets. **In connection with investments in Asset and Mortgage Backed Securities and in Coco-Bonds, please refer respectively to the sections "Information on Investments in ABS and MBS" and "Information on CoCo-Bonds".**

Up to one third of the assets of the Subfund may also be invested in the following assets: (i) fixed-interest or floating rate securities as well as money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide; (ii) sight deposits and deposits at notice; (iii) structured products on equities and other equity securities or similar investments (up to max. 10% of the assets); (iv) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in structured products as defined in (iii) and funds as defined in (iv), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets.

Ancillary liquid assets may be held which under certain circumstances and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the assets. In addition, the Subfund may invest up to a maximum of 10% of its assets in equity securities, equity rights and warrants, as well as shares, other capital shares and profit participation certificates acquired through the exercise of conversion and subscription rights or options. Equity securities acquired through exercise or subscription must be sold no later than 12 months after acquisition.

For this Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the ICE BofAML Emerging Markets Corporate Plus index (EMCB) or JPM CEMBI Broad Diversified Index (JBCDCOMP). **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

With regard to the Subfund derivative financial instruments (derivatives) may also be employed on a larger scale for the purpose of hedging and efficient portfolio management, as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies, as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%.

JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR) is denominated in Euro. The investments may be denominated in the reference currency EUR or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.



## 2.11 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD)

The investment objective of the Company in relation to JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD) is to achieve a maximum of return with limited risk, taking into consideration the liquidity of the assets.

For this purpose the Company will invest at least two-thirds of the assets of the subfund in fixed-interest and floating-rate securities, debt securities and claims as well as other fixed-interest investments (including convertible and warrant bonds, inflation-linked bonds, high-yield bonds as well as CoCo-Bonds, Hybrid-Bonds, asset backed securities (ABS) and mortgage backed securities (MBS) issued or guaranteed by issuers from developed countries. At least two thirds of the investments have a rating of at least BBB- ("Investment Grade") of the rating agency Standard & Poor's or the equivalent of another recognised rating agency such as Moody's or Fitch. Investments in ABS and MBS amount together up to a maximum of 20% of the Subfund's assets. Furthermore, investments in CoCo-Bonds and Hybrid-Bonds in total are limited to a maximum of 20% of the Subfund's assets. **In connection with investments in Asset and Mortgage Backed Securities and in Coco-Bonds, please refer respectively to the sections "Information on Investments in ABS and MBS" and "Information on CoCo-Bonds".**

Up to one third of the assets of the Subfund in question may also be invested in the following assets: (i) fixed-interest or floating rate securities as well as money market instruments (which have a total expiration period of up to 12 months at the time of issue), issued by issuers worldwide; (ii) sight deposits and deposits at notice; (iii) structured products on equities and other equity securities or similar investments (up to max. 10% of the assets); (iv) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in structured products as defined in (iii) and funds as defined in (iv), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets. Ancillary liquid assets may be held which under certain circumstances and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the assets. -In addition, the Subfund may invest up to a maximum of 10% of its assets in equity securities, equity rights and warrants, as well as shares, other capital shares and profit participation certificates acquired through the exercise of conversion and subscription rights or options. Equity securities acquired through exercise or subscription must be sold no later than 12 months after acquisition.

For this Subfund investments of up to one third of the Subfund's assets may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the ICE BofAML Emerging Markets Corporate Plus index (EMCB) or JPM CEMBI Broad Diversified Index (JBCDCOMP). **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%.

JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD) is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

## 2.12 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD

The investment objective of the Company in relation to JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD is to achieve a high steady return while taking into consideration the preservation of the capital.

For this purpose the Company will invest at least two thirds of the assets of the Subfund in the following assets:

- (i) Direct investment in fixed-interest and floating-rate securities, debt securities and claims as well as other fixed-interest investments (including convertible and warrant bonds, as well as Coco-Bonds and Hybrid-Bonds, Inflation-Linked Bonds, emerging-market bonds, as well as asset backed securities (ABS) and mortgage backed securities (MBS) issued or guaranteed by issuers worldwide and which have been classed as under BBB- by a recognized rating agency such as Standard & Poor's, Moody's or Fitch;

At least 51% of the investments must have a rating of BB- or higher from at least one of the recognized rating agencies such as Standard & Poor's, Moody's or Fitch.

In addition, the Company may invest the assets of the Subfund in the following assets:

- (ii) Investments referred to in (i), which have no official rating by a recognized rating agency Standard & Poor's, Moody's or Fitch (max. 30% of the assets of the Subfund);
- (iii) Money market instruments (certificates of deposits, treasury bills, commercial papers, bankers' acceptances or similar) from issuers worldwide;
- (iv) Up to a maximum of 10% of the Subfund's assets in equity securities, equity rights and warrants, as well as shares, other equity interests and participation certificates acquired through the exercise of conversion and subscription rights or options. The equity securities acquired by exercise or subscription must be sold no later than 12 months after acquisition;
- (v) Structured products on fixed-interest or floating rate securities and similar investments (in total, up to max. 10% of the assets of the Subfund);
- (vi) Units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets);
- (vii) Derivatives on fixed or floating rate securities, interest rates and currencies as well as other derivative financial instruments and on financial indices;
- (viii) Sight deposits and deposits at notice (up to max. 49% of the assets of the Subfund).

Investments in structured products as defined in (v) and funds as defined in (vi), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets. In addition, following restrictions shall apply: convertible and warrant bonds together to a max. of 10%, CocoBonds and Hybrid-Bonds together to a max. of 20%, as well as ABS and MBS together to a max. of 10% of the assets of the Subfund.

JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies, whereas the return of the fund is measured in USD. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of hedging and efficient portfolio management as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices. The buying and selling of interest rate futures and credit derivatives (especially those on indexes) without respective underlying assets are permitted.

For this Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these

include the countries included in the ICE BofAML Emerging Markets Corporate Plus index (EMCB) or JPM CEMBI Broad Diversified Index (JBCDCOMP). **In connection with investments in Emerging Market Countries, please refer to the section “Information on investments in Emerging Market Countries” below.**

**In connection with investments in derivative instruments and structured products, please refer to the section “Information on Investment in Derivative Instruments and Structured Products”.**

**In connection with investments in Asset and Mortgage Backed Securities, in Emerging Market Countries and in Coco-Bonds, please refer respectively to the sections “Information on Investments in ABS and MBS”, “Information on investments in Emerging Market Countries” and “Information on CoCo-Bonds”.**

## 2.13 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER DYNAMIC ASSET ALLOCATION

The investment objective of the Company in relation to the Multicooperation SICAV – JULIUS BAER DYNAMIC ASSET ALLOCATION (“JULIUS BAER DYNAMIC ASSET ALLOCATION”) is to achieve a long-term capital growth by investing in share categories, sectors and countries considered to be the most promising worldwide by the Investment Manager.

For this purpose the Subfund invests in the following assets:

- (i) units of other UCITS and/or UCI, including Exchange Traded Funds (ETF) (together “target funds”), investing the assets, directly or indirectly, in accordance with their investment policy, primarily in the following assets:
  - a) fixed-interest and floating-rate securities, debt securities and claims as well as related instruments, government and corporate bonds, convertible and warrant bonds, as well as Coco-Bonds and Hybrid-Bonds, Inflation-Linked Bonds, High Yield Bonds, emerging markets bonds, as well as asset backed securities (ABS) and mortgage backed securities (MBS) issued or guaranteed by issuers worldwide.
  - b) Shares and other equity securities of other companies worldwide;
- (ii) equities and other equity securities of real-estate companies and listed closed-ended real estate funds and listed real estate investment trusts (REITs), within the meaning of Article 41 (1) of the 2010 Law;
- (iii) Exchange Traded Commodities (ETCs) (up to max. 20% of the assets of the Subfund), provided that the assets are deemed to be suitable investment assets within the meaning of Article 41 (1) of the 2010 Law, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.
- (iv) Fixed-interest and floating-rate securities, debt securities and claims as well as other fixed-interest investments issued or guaranteed by issuers worldwide, such as US Treasuries.

Investments in target funds amount to at least 70% of the assets of the Subfund in UCITS within the meaning of the Directives 85/611/ EEC (as amended) and. 2009/65/EC. Investments in other UCI can be made only within the meaning and subject to the restrictions of section 5 of the General Part.

By way of derogation from the provisions of the General Part, up to 100% of the assets of the Subfund may be invested in target funds. In connection with investments in target funds, please refer to the section “Information on Investments in fund-of-funds structures”.

In derogation of the 70% rule described above, the Subfund may for the purpose of liquidity management and capital preservation invest up to 49% of the its assets in money-market instruments, which have a total expiration period of up to 12 months at the time of issue, as well as in sight deposits and deposits at notice, as defined in section 5 of the General Part.

Derivative financial instruments (derivatives) may also be employed on a larger scale in the Subfund and/or indirectly via the target funds, both for the purpose of hedging and efficient portfolio management, as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, “CDS”) on transferable securities, interest and currencies, as well as on other derivative financial instruments and on financial indices. **In connection with investments in**

**derivative instruments, please refer to the section “Information on Investment in Derivative Instruments and Structured Products”.**

For this Subfund investments may also be acquired directly or indirectly via the target funds which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term “emerging markets” is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the *S&P Emerging Broad Market Index* or in the *MSCI Emerging Markets Index*. **In connection with investments in Emerging Market Countries, please refer to the section “Information on investments in Emerging Market Countries” below. In connection with investments in Asset and Mortgage Backed Securities, in High Yield Bonds and in Coco-Bonds, please refer respectively to the sections “Information on Investments in ABS and MBS”, “Information on investments in High Yield Bonds” and “Information on CoCo-Bonds”.**

JULIUS BAER DYNAMIC ASSET ALLOCATION is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

## 2.14 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED

The investment objective of the Company in relation to Multicooperation SICAV – JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED (“JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED”) is to achieve a rate of return as high as possible with limited risk.

For this purpose the Subfund mainly invests in units of other UCITS and/or UCI, including Exchange Traded Funds (ETF) (together “target funds”) investing their assets in accordance with their investment policy, primarily in fixed-interest and floating-rate securities (i.e. government or corporate bonds), convertible bonds and convertible preferred shares, index-linked securities, derivatives (including credit derivatives, interest derivatives and currency derivative contracts), cash and money market instruments from all over the world. In addition, the target funds may also invest in Coco-Bonds and Hybrid-Bonds, Inflation-Linked Bonds, High Yield Bonds, emerging markets bonds, asset backed securities (ABS) and mortgage backed securities (MBS) or debt securities and claims issued or guaranteed by issuers worldwide. **In connection with investments in Asset and Mortgage Backed Securities, in High Yield Bonds and in Coco-Bonds, please refer respectively to the sections “Information on Investments in ABS and MBS”, “Information on investments in High Yield Bonds” and “Information on CoCo-Bonds”.**

Investments in target funds amount to at least 70% of the assets of the Subfund in UCITS within the meaning of the Directives 85/611/ EEC (as amended) and. 2009/65/EC. Investments in other UCI can be made only within the meaning and subject to the restrictions of section 5 of the General Part. In addition, the Subfund may invest directly in fixed-interest and floating-rate securities (i.e. government or corporate bonds), convertible bonds and convertible preferred shares, index-linked securities, cash and money market instruments or other instruments, investing primarily in the types of assets or strategy mentioned above.

By way of derogation from the provisions of the General Part, up to 100% of the assets of the Subfund may be invested in target funds. In connection with investments in target funds, please refer to the section “Information on Investments in fund-of-funds structures”.

In derogation of the 70% rule described above, the Subfund may for the purpose of liquidity management and capital preservation invest up to 49% of its assets in money-market instruments, which have a total expiration period of up to 12 months at the time of issue, as well as in sight deposits and deposits at notice, as defined in section 5 of the General Part.

Derivative financial instruments (derivatives) may also be employed on a larger scale in the Subfund and/or indirectly via the target funds, both for the purpose of hedging and efficient portfolio management, as well as for active investment and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for

difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies, as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

For this Subfund investments may also be acquired directly or indirectly via the target funds which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the ICE BofAML Emerging Markets Corporate Plus Index (EMCB) or JPM CEMBI Broad Diversified Index (JBCDCOMP). **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

## 2.15 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER EQUITY NEXT GENERATION

The investment objective of the Company in relation to the Multicooperation SICAV – JULIUS BAER EQUITY NEXT GENERATION ("JULIUS BAER EQUITY NEXT GENERATION") is to achieve a long-term capital growth by investing in global companies and sectors in structural growth areas resulting from changes in consumer spending and investment. This will provide the investor with direct or indirect access to certain key investment themes, such as the growing economies and middle classes in Asia, digital transformation and technological innovation, the energy transition, a more sustainable food production, as well as to global demographic developments and lifestyle changes.

For this purpose the Company invests at least two thirds of the assets of the Subfund in shares and other equity securities and equity rights of companies worldwide, which, in the opinion of the Company, can best benefit from these key investment themes.

Up to one third of the assets of the Subfund may also be invested in the following securities: (i) shares and other equity securities and equity rights and money market instruments (which, at the time of issue, have a total expiration period of up to 12 months) of issuers worldwide; (ii) sight deposits and deposits at notice; (iii) structured products on equities and other equity securities and equity rights (in total, less than 10% of the assets); (iv) units of other UCITS and/or UCI, including Exchange Traded Funds (in total, less than 10% of the assets). Investments in structured products as defined in point (iii) and funds, as defined in point (iv), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets. In addition, up to max. 10% of the assets of the Subfund may be invested in Exchange Traded Commodities (ETCs) (so called Delta 1 certificates), commodity funds and investments in precious metal accounts; provided that the assets are settled in cash and payments in kind are excluded. ETCs are deemed to be suitable investment assets within the meaning of Article 41 (1) of the 2010 Law, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.

Ancillary liquid assets may be held which under certain circumstances and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the net assets.

Direct investments in China are made in what are referred to as "China-A", "China-B", "China H" shares or shares of Chinese companies that are quoted on another foreign exchange outside the People's Republic of China (PRC). "China A" and "China B" shares are securities quoted on the stock exchanges of Shanghai and/or Shenzhen. "China A" shares are denominated in Renminbi and can be bought through the Shanghai Hong Kong Stock Connect Programme or Shenzhen-Hong Kong Stock Connect Programme. Investments in "China A" shares comply with the conditions imposed by article 41 paragraph 1 of the 2010 Law. The Subfund may invest a maximum of 10% of its assets in China-A shares. "China B" shares are quoted on the stock exchanges of Shanghai or Shenzhen and represent equity of companies traded in foreign currency. The face value of "China B" shares is determined in Renminbi. In Shanghai, "China B" shares are traded in US dollars and in Shenzhen, in

Hong Kong dollars. "China H" shares are shares of companies which have their registered office in the PRC, are listed on the Hong Kong Stock Exchange and are denominated in Hong Kong dollars.

Investments in China may also be made indirectly by purchasing share-based products, in particular ADRs (American depositary receipts) and GDRs (global depositary receipts), which comply with the provisions of article 41 of the 2010 Law and in which no derivatives are embedded, or Exchange Traded Funds (ETFs) and other investment funds.

**Furthermore, investors should be aware of the increased risk associated with investments in "China A" shares, which is described in the section 3.6 "Risks associated with investments in the People's Republic of China".**

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale for the purpose of efficient portfolio management.

The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies, as well as on other derivative financial instruments and on financial indices. The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

For this Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index. **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

The JULIUS BAER EQUITY NEXT GENERATION is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

## 2.16 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER EQUITY SUSTAINABILITY

The investment objective of the Company in relation to the Multicooperation SICAV – JULIUS BAER EQUITY SUSTAINABILITY ("JULIUS BAER EQUITY SUSTAINABILITY") is to achieve a long-term capital growth.

For this purpose the JULIUS BAER EQUITY SUSTAINABILITY invests at least two thirds of its assets in a portfolio of carefully selected shares and other equity securities and equity rights of companies having their registered office or the major part of their business activities in recognised countries and which have an adequate sustainability profile and/or rating of specialised organisations ("ESG"- Environmental, Social and Governance).

Without limiting the scope of the criteria of sustainability "ESG", companies are assessed in terms of environment aspects (including resources efficiency, environment management, reporting), social aspects (including reputation risk, working conditions, employee diversity, specific stakeholder interests) as well as aspects of good corporate governance (independence, control systems, shareholder rights, remuneration). When assessing the sustainability of companies, information from specialised organisations can be consulted.

In addition, the Subfund may invest in companies which have a business model or products that to a certain extent follow principles such as social responsibility or sustainable investments (CSR – Corporate Socially Responsibility) and are active in areas such as energy efficiency, environment, health and demography or social improvement. A corresponding ESG thesis is prepared for these companies. Furthermore, up to 10% of the Subfund's assets may also be invested in companies that do not have a sustainability profile or rating and for which no ESG thesis has been prepared, but which, according to the Investment manager's assessment, provide significant positive impact to sustainability issues through their business.

The investment strategy is based on an active portfolio management approach, according to which additional analyses of the companies in question are carried out in addition to sustainability assessments.

Up to one third in total of the assets of the Subfund may also be invested in the following assets: (i) fixed-interest or floating rate securities as well as money market instruments (which have a total expiration period of up to 12 months at the time of issue), issued by issuers worldwide; (ii) sight deposits and deposits at notice; (iii) structured products on equities and other equity securities and equity rights (up to max. 10% of the assets); (iv) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in structured products as defined in (iii) and funds as defined in (iv), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets.

Ancillary liquid assets may be held which, under certain circumstances and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the assets.

With regard to the Subfund derivative financial instruments (derivatives) may be employed on a larger scale both for the purpose of hedging and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies, as well as on other derivative financial instruments and on financial indices. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

For the Subfund JULIUS BAER EQUITY SUSTAINABILITY investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the S&P Emerging Broad Market Index or the MSCI Emerging Markets Index. **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

Direct investments in China are made in what are referred to as "China A", "China B", "China H" shares or shares of Chinese companies that are quoted on another foreign exchange outside the People's Republic of China (PRC). "China A" and "China B" shares are securities quoted on the stock exchanges of Shanghai and/or Shenzhen. "China A" shares are denominated in Renminbi and can be bought through the Shanghai Hong Kong Stock Connect Programme or Shenzhen-Hong Kong Stock Connect Programme. Investments in "China A" shares comply with the conditions imposed by article 41 paragraph 1 of the 2010 Law. The Subfund may invest a maximum of 10% of its assets in "China A" shares. "China B" shares are quoted on the stock exchanges of Shanghai or Shenzhen and represent equity of companies traded in foreign currency. The face value of "China B" shares is determined in Renminbi. In Shanghai, "China B" shares are traded in US dollars and in Shenzhen, in Hong Kong dollars. "China H" shares are shares of companies which have their registered office in the PRC, are listed on the Hong Kong Stock Exchange and are denominated in Hong Kong dollars.

Investments in China may also be made indirectly by purchasing share-based products, in particular ADRs (American depositary receipts) and GDRs (global depositary receipts), which comply with the provisions of article 41 of the 2010 Law and in which no derivatives are embedded, or Exchange Traded Funds (ETFs) and other investment funds.

**Furthermore, investors should be aware of the increased risk associated with investments in "China A" shares, which is described in the section 3.6 "Risks associated with investments in the People's Republic of China".**

The JULIUS BAER EQUITY SUSTAINABILITY is denominated in USD. The investments may be denominated in USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged against the USD. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

## 2.17 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER FIXED INCOME ASIA

The investment objective of the Company in relation to the Subfund JULIUS BAER FIXED INCOME ASIA is to achieve a maximum of return with limited risk, taking into consideration the liquidity of the fund's assets.

The JULIUS BAER FIXED INCOME ASIA is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

To achieve the investment objective, the Subfund will invest at least two-thirds of its assets in fixed-interest and floating-rate securities, debt securities and claims as well as other fixed-interest investments (including convertible and warrant bonds, inflation-linked bonds, emerging-market bonds, high-yield bonds, CoCo-Bonds, Hybrid-Bonds, as well as asset backed securities (ABS) and mortgage backed securities (MBS) issued or guaranteed by issuers which have their place of business or the major part of their business activities in Asia.

Up to one third of the assets of the Subfund may also be invested in the following securities: (i) fixed-interest or floating rate securities and money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide; (ii) sight deposits and deposits at notice; (iii) units of other UCITS and/or UCI, including Exchange Traded Funds (in total less than 10% of the assets). Investments in funds as defined in (iii), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets.

The following additional investment restrictions apply in connection with the fulfilment of the investment objective of the JULIUS BAER FIXED INCOME ASIA:

- At least 80% of the Subfund's assets in investments which are either issued by issuers in emerging and/or developed countries or which are economically linked to emerging and/or developed countries. Emerging and industrialised countries are classified according to the MSCI All Country World Index.
- A maximum of 20% of the Subfund's assets in investments either issued by issuers of frontier market countries or economically linked to frontier market countries. The classification of Frontier Market countries is based on the MSCI ACWI + FRONTIER.
- Maximum 5% of the Subfund's assets in debt securities of any single issuer.
- The investments have an average rating of at least BBB- from Standard & Poor's or the equivalent of another recognised rating agency, such as Moody's and Fitch. The investments have a minimum rating of at least B- from Standard & Poor's or the equivalent of another recognised rating agency, such as Moody's and Fitch, with at least 65% of the Subfund's assets having a rating of at least BBB- or higher. The rating of the investments is based on the worst issue rating principle, according to which the worst rating must always be taken into account in the event of unequal ratings from rating agencies.
- Investments in ABS and MBS amount together up to a maximum of 10% of the Subfund's assets. Furthermore, investments in CoCo-Bonds and Hybrid-Bonds in total are limited to a maximum of 20% of the Subfund's assets.
- Up to a maximum of 10% of the Subfund's assets in shares, share rights and option rights, as well as other equity securities, other capital shares and participation certificates acquired through the exercise of conversion and subscription rights or options. Shares acquired by exercise or subscription must be sold no later than 12 months after acquisition;

Ancillary liquid assets may be held which under certain circumstances, and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the net assets.

The weighted average maturity of the Subfund is a maximum of five years.

The Subfund may also make extensive use of derivative financial instruments (derivatives) for the purpose of hedging. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices.



The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

For the Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the ICE BofAML Emerging Markets Corporate Plus Index (EMCB) or JPM CEMBI Broad Diversified Index (JBCDCOMP). **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

**In connection with investments in Asset and Mortgage Backed Securities and in Coco-Bonds, please refer respectively to the sections "Information on Investments in ABS and MBS" and "Information on CoCo-Bonds".**

## 2.18 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS

### SUBSCRIPTION PERIOD

The JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS has a limited duration. There will be a subscription period prior to the launch of the Subfund, as defined in Chapter 1 of Special Part B. Within the subscription period, no sales commission will be levied. After the end of the subscription period, the issue of new Shares will be discontinued. However, the redemption of Shares is possible at any time.

### DURATION AND LIQUIDATION CONDITIONS

The maturity of the Subfund shall be no earlier than until 30 June 2025 and may be extended by up to 12 months ("maturity date"). An extension of the maturity date, as well as an early dissolution of the Subfund may be decided by the Company at its sole discretion. Should the Company make use of this discretion, it will inform the investors in an appropriate manner. After the maturity date, the Company has the option of paying out the assets of the Subfund to the investors on a pro rata basis and liquidating the Subfund or changing the Subfund's investment policy. If the Company decides to change the Subfund's investment policy, it will inform the investors in an appropriate manner.

### INVESTMENT OBJECTIVE

The investment objective of the Company in relation to JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS is to focus on income generation, taking into account the principle of risk limitation and the liquidity of assets for a limited period of time. The weighted average maturity of the Subfund is five years and may be changed as described above.

The Subfund is denominated in USD. Investments of the Subfund will be made in debt securities under normal market conditions. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

### INVESTMENT POLICY

In order to achieve the investment objective, the Subfund will invest at least two-thirds of its assets in fixed-interest and floating-rate securities, debt securities and claims as well as other fixed-interest investments (including convertible and option bonds, inflation-linked bonds, high-yield bonds, hybrid bonds as well as CoCo-Bonds) issued or guaranteed by issuers which have their place of business or the major part of their business activities in emerging market countries. Although the Investment Manager will seek to match the expected maturity date of the debt securities with the maturity date of the Subfund, the maturity date of some debt securities may occur before or after the maturity date of the Subfund. At least 80% of the debt securities will have a maturity date that extends to six months after the maturity date of the Subfund. Although it is intended that the Subfund will hold the investments until the maturity date, the Investment Manager has the right to sell the debt securities prior to their maturity date.

Up to a total of one third of the assets of the Subfund may also be invested in the following securities: (i) fixed-interest or floating rate securities and money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide (ii) sight deposits and deposits at notice; (iii) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in funds as defined in (iii), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets.

The following additional investment restrictions apply in connection with the fulfilment of the investment objective of the JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS:

- At least 80% of the Subfund's assets in investments which are either issued by issuers in emerging and/or developed countries or which are economically linked to emerging and/or developed countries. Emerging and developed countries are classified according to the MSCI All Country World Index.
- A maximum of 20% of the Subfund's assets in investments either issued by issuers of frontier market countries or economically linked to frontier market countries. The classification of Frontier Market countries is based on the MSCI ACWI + FRONTIER.
- Maximum 5% of the Subfund's assets in debt securities of any single issuer.
- The investments have an average rating of at least BBB- from Standard & Poor's or the equivalent of another recognised rating agency, such as Moody's and Fitch. The investments have a minimum rating of at least BB- from Standard & Poor's or the equivalent of another recognised rating agency, such as Moody's and Fitch, with at least 65% of the Subfund's assets having a rating of at least BBB- or higher. The rating of the investments is based on the worst issue rating principle, according to which the worst rating must always be taken into account in the event of unequal ratings from rating agencies.
- Investments in Hybrid Bonds and CoCo Bonds are limited to a maximum of 20% of the Subfund's assets.
- Up to a maximum of 10% of the Subfund's assets in equity securities and equity rights and warrants as well as shares, other equity interests and participation certificates acquired through the exercise of conversion and subscription rights or options. The equity securities acquired by exercise or subscription must be sold no later than 12 months after acquisition.

Ancillary liquid assets may be held which under certain circumstances, and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the net assets.

For the Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the ICE BofAML Emerging Markets Corporate Plus Index (EMCB) or JPM CEMBI Broad Diversified Index (JBCDCOMP). **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

The Subfund may also make extensive use of derivative financial instruments (derivatives) for the purpose of hedging. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards and swaps (including interest rate swaps "IRS" and credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices.

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

**In connection with investments in Asset and Mortgage Backed Securities and in Coco-Bonds, please refer respectively to the sections "Information on Investments in ABS and MBS" and "Information on CoCo-Bonds".**

**2.19 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER FIXED MATURITY 2024 ASIA****SUBSCRIPTION PERIOD**

The JULIUS BAER FIXED MATURITY 2024 ASIA has a limited duration. There will be a subscription period prior to the launch of the Subfund, as defined in Chapter 1 of Special Part B. Within the subscription period, no sales commission will be levied. After the end of the subscription period, the issue of new Shares will cease. However, the redemption of Shares is possible at any time.

**DURATION AND LIQUIDATION CONDITIONS**

The maturity of the Subfund shall be no earlier than 30 June 2024 and may be extended by up to 12 months ("maturity date"). An extension of the maturity date, as well as an early dissolution of the Subfund may be decided by the Company at its sole discretion. Should the Company make use of this discretion, it will inform the investors in an appropriate manner. After the maturity date, the Company has the option of paying out the assets of the Subfund to the investors on a pro rata basis and liquidating the Subfund or changing the Subfund's investment policy. If the Company decides to change the Subfund's investment policy, it will inform the investors in an appropriate manner.

**INVESTMENT OBJECTIVE**

The investment objective of the Company in relation to JULIUS BAER FIXED MATURITY 2024 ASIA is to focus on income generation, taking into account the principle of risk limitation and the liquidity of assets for a limited period of time. The weighted average maturity of the Subfund is five years and may be changed as described above.

The Subfund is denominated in USD. Investments of the Subfund will be made in debt securities under normal market conditions. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

**INVESTMENT POLICY**

In order to achieve the investment objective, the Subfund will invest at least two-thirds of its assets in fixed-interest and floating-rate securities, debt securities and claims as well as other fixed-interest investments (including convertible and option bonds, inflation-linked bonds, high-yield bonds, hybrid bonds as well as CoCo-Bonds) issued or guaranteed by issuers which have their place of business or the major part of their business activities in Asia. Although the Investment Manager will seek to match the expected maturity date of the debt securities with the maturity date of the Subfund, the maturity date of some debt securities may occur before or after the maturity date of the Subfund. At least 80% of the debt securities will have a maturity date that extends to six months after the maturity date of the Subfund. Although it is intended that the Subfund will hold the investments until the maturity date, the Investment Manager has the right to sell the debt securities prior to their maturity date.

Up to one third of the assets of the Subfund may also be invested in the following securities: (i) fixed-interest or floating rate securities and money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide (ii) sight deposits and deposits at notice; (iii) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in funds as defined in (iii), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets.

The following additional investment restrictions apply in connection with the fulfilment of the investment objective of the JULIUS BAER FIXED MATURITY 2024 ASIA:

- At least 80% of the Subfund's assets in investments which are either issued by issuers in emerging and/or developed countries or which are economically linked to emerging and/or developed countries. Emerging and developed countries are classified according to the MSCI All Country World Index.
- A maximum of 20% of the Subfund's assets in investments either issued by issuers of frontier market countries or economically linked to frontier market countries. The classification of Frontier Market countries is based on the MSCI ACWI + FRONTIER.
- Maximum 5% of the Subfund's assets in debt securities of any single issuer.

- The investments have an average rating of at least BBB- from Standard & Poor's or the equivalent of another recognised rating agency, such as Moody's and Fitch. The investments have a minimum rating of at least BB- from Standard & Poor's or the equivalent of another recognised rating agency, such as Moody's and Fitch, with at least 65% of the Subfund's assets having a rating of at least BBB- or higher. The rating of the investments is based on the worst issue rating principle, according to which the worst rating must always be taken into account in the event of unequal ratings from rating agencies.
- Investments in Hybrid Bonds and CoCo Bonds are limited to a maximum of 20% of the Subfund's assets.
- Up to a maximum of 10% of the Subfund's assets in equity securities, equity rights and warrants, as well as shares, other equity interests and participation certificates acquired through the exercise of conversion and subscription rights or options. The equity securities acquired by exercise or subscription must be sold no later than 12 months after acquisition;

Ancillary liquid assets may be held which under certain circumstances, and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the net assets.

For the Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the ICE BofAML Emerging Markets Corporate Plus Index (EMCB) or JPM CEMBI Broad Diversified Index (JBCDCOMP). **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

The Subfund may also make extensive use of derivative financial instruments (derivatives) for the purpose of hedging. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards and swaps (including interest rate swaps "IRS" and credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices.

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

**In connection with investments in Asset and Mortgage Backed Securities and in Coco-Bonds, please refer respectively to the sections "Information on Investments in ABS and MBS" and "Information on CoCo-Bonds".**

## 2.20 INVESTMENT OBJECTIVES AND POLICY OF THE JULIUS BAER ASIA REITS

The investment objective of the Company with respect to the JULIUS BAER ASIA REITS is to maximize the total return from income and capital appreciation by offering an exposure primarily from a portfolio of real estate related investments, taking into account the principle of risk limitation and the liquidity of the assets.

To this end, the Company invests at least two thirds of the Subfund's assets in shares and other equity securities of real estate companies as well as listed closed-end real estate funds and listed closed-end real estate investment trusts (REITs) domiciled in Asia or carrying out the majority of their business activities in Asia.

Up to a total of one third of the assets of the JULIUS BAER ASIA REITS may also be invested in the following securities: (i) shares and other equity securities and equity rights of companies worldwide; (ii) fixed-interest or floating-rate securities as well as money market instruments (which have a total expiration period of up to 12 months at the time of issue), of issuers worldwide; (iii) sight deposits and deposits at notice; (iv) structured products on equities and other equity securities (up to max. 10% of the assets); (v) units of other UCITS and/or UCI, including Exchange Traded Funds (up to max. 10% of the assets). Investments in structured products as defined in (iv) and funds as defined in (v), which do not qualify as UCITS in the sense of Directive 2009/65/EC of 13 July 2009 (UCITS IV) or subsequent directives, must cumulatively fall below 10% of assets. In addition, up to max. 10% of the assets of the Subfund may be invested in Exchange Traded Commodities (ETCs) (so called Delta 1 certificates), commodity funds and investments in precious metal accounts; provided that the assets are

settled in cash and payments in kind are excluded. ETCs are deemed to be suitable investment assets within the meaning of Article 41 (1) of the 2010 Law, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.

Ancillary liquid assets may be held which under certain circumstances, and in derogation of the 2/3 rule in the second paragraph of this section, may amount to up to 49% of the net assets.

Investments for this Subfund may also be made indirectly by purchasing so called share-based products, in particular ADRs (American depositary receipts) and GDRs (global depositary receipts), which comply with the provisions of article 41 of the 2010 Law and which do not invest in derivatives, or Exchange Traded Funds (ETFs) and other investment funds.

The Subfund JULIUS BAER ASIA REITS is denominated in USD. The investments may be denominated in the reference currency USD or may also be made in other currencies. Foreign currency risks may be fully or partially hedged. A depreciation caused by exchange-rate fluctuations cannot be ruled out.

The Subfund may also make extensive use of derivative financial instruments (derivatives) for the purpose of hedging and efficient portfolio management, as well as for active investment in transferable securities and active currency allocation. The range of possible derivatives includes exchange traded as well as OTC-instruments and in particular call and put-options, futures, forwards, warrants, contracts for difference and swaps (including credit default swaps, "CDS") on transferable securities, interest and currencies as well as on other derivative financial instruments and on financial indices.

The Subfund's aggregated risk exposure inherent to the use of derivative instruments amounts to a maximum of 200%. **In connection with investments in derivative instruments and structured products, please refer to the section "Information on Investment in Derivative Instruments and Structured Products".**

For the Subfund investments may also be acquired which are issued either by issuers in emerging countries (also known as emerging-market countries) and/or are denominated in currencies of emerging market countries or which are linked economically to currencies of emerging market countries. The term "emerging markets" is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. In particular, these include the countries included in the S&P APAC REIT USD Index or MSCI AC Asia Pac. Equity REITS GICS Level 3 Gross Return USD Index. **In connection with investments in Emerging Market Countries, please refer to the section "Information on investments in Emerging Market Countries" below.**

Direct investments in China are made in what are referred to as "China A", "China B", "China H" shares or shares of Chinese companies that are quoted on another foreign exchange outside the People's Republic of China (PRC). "China A" and "China B" shares are securities quoted on the stock exchanges of Shanghai and/or Shenzhen. "China A" shares are denominated in Renminbi and can be bought through the Shanghai Hong Kong Stock Connect Programme or Shenzhen-Hong Kong Stock Connect Programme. Investments in "China A" shares comply with the conditions imposed by article 41 paragraph 1 of the 2010 Law. The Subfund may invest a maximum of 10% of its assets in "China A" shares. "China B" shares are quoted on the stock exchanges of Shanghai or Shenzhen and represent equity of companies traded in foreign currency. The face value of "China B" shares is determined in Renminbi. In Shanghai, "China B" shares are traded in US dollars and in Shenzhen, in Hong Kong dollars. "China H" shares are shares of companies which have their registered office in the PRC, are listed on the Hong Kong Stock Exchange and are denominated in Hong Kong dollars.

**Furthermore, investors should be aware of the increased risk associated with investments in "China A" shares, which is described in the section "Risks associated with investments in the People's Republic of China".**

#### **SUSTAINABILITY RISKS WITH REGARDS TO JULIUS BAER ASIA REITS**

The investments of the Subfund are subject to sustainability risk, as outlined and defined under the Sustainable Finance Disclosure Regulation section (Chapter 7) of the Prospectus.

The market value of the Subfund's underlying investments is subject to the sustainability risks described in the General Part. The Subfund's sustainability risk is classified as high, which may have a significant impact on the value of the portfolio.

Investments in real estate are generally classified as having a high sustainability risk, which arises in particular from environmental aspects and may have a significant impact on the value of such investments.

Sustainability risks associated with real estate investments are not only complex, but also generally cannot be adequately assessed on the basis of exclusively public data. The Subfund does not invest directly in real estate or real estate projects, and due to the aforementioned limitations, no relevant assessment of sustainability risk can be made.

## 2.21 FURTHER INVESTMENT RESTRICTIONS / INVESTMENT CONDITIONS FOR THE BJB-FUNDS

- a) As far as not stated differently in the respective investment policy, overall a maximum of 10% of the assets of each Subfund can be invested in other assets as mentioned under section 5./1. of the General Part of the Prospectus.
- b) Notwithstanding any provisions to the contrary in the Prospectus and the investment objectives and policies set out above, the Subfunds JULIUS BAER GLOBAL EXCELLENCE EQUITY, JULIUS BAER EQUITY SPECIAL VALUE, JULIUS BAER EQUITY ASIA, JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE, JULIUS BAER GLOBAL EXCELLENCE NORTH AMERICA, JULIUS BAER EQUITY NEXT GENERATION and JULIUS BAER EQUITY SUSTAINABILITY invest continually in agreement with its respective investment policy, for as long as required, at least 51% of its net assets in shares which qualify as equity funds within the meaning of the German Investment Tax Act 2018 ("GITA", as amended). The actual capital participation ratios (within the meaning of the GITA) of target investment funds can be taken into account.

## 3. RISK INFORMATION

**The Company makes every effort to achieve the Company's investment objectives for the Subfunds. However, no guarantee can be given that the investment objectives will actually be achieved. As a result, the net asset value of the shares may become greater or smaller, and different levels of positive as well as negative income may be earned.**

### 3.1 INFORMATION ON INVESTMENTS IN EMERGING MARKET COUNTRIES

**The attention of potential investors in BJB-FUNDS is drawn to the fact that investments in emerging market countries involve increased risk.** In particular, the investments are subject to the following risks:

- a) trading volumes in relation to the securities may be low or absent on the securities market involved, which can lead to liquidity problems and serious price fluctuations;
- b) uncertainties surrounding political, economic and social circumstances, with the associated dangers of expropriation or seizure, unusually high inflation rates, prohibitive tax measures and other negative developments;
- c) potentially serious fluctuations in the foreign exchange rate, different legal frameworks, existing or potential foreign exchange export restrictions, customs or other restrictions, and any laws and other restrictions applicable to investments;
- d) political or other circumstances which restrict the investment opportunities of the Subfund, for example restrictions with regard to issuers or industries deemed sensitive to relevant national interests,
- e) the absence of sufficiently developed legal structures governing private or foreign investments and the risk of potentially inadequate safeguards with respect to private ownership;
- f) the standards applied by supervisory authorities may not be comparable to those in developed markets;
- g) inflation and rapid fluctuations in inflation rates have had, and may continue to have, a negative impact on the economies and securities markets of some emerging and developing countries; and
- h) there is also a risk that competing demands may arise in relation to securities held by or to be transferred to the Subfund and that no compensation programs exist or that existing compensation programs are limited or insufficient to satisfy the Subfund's demands in any such case

Foreign exchange export restrictions and other related regulations in these countries may also lead to the delayed repatriation of all or some of the investments or may prevent them from being repatriated in full or in part, with the result that there may be a delay in the payment of the redemption price.

### 3.2 INFORMATION ON INVESTMENTS IN DERIVATIVE INSTRUMENTS AND STRUCTURED PRODUCTS

The BJB-FUNDS may make considerable use of derivative instruments and other special investment techniques and financial instruments, in particular swaps, certificates and structured products. As a result, the risk features of derivatives and other investment techniques and instruments in addition to the risk features of securities must be considered. In general, they are exposed to the risks of the markets or instruments underlying them and therefore frequently involve greater risks than direct investments in securities. Potential risks of such instruments may, for example, arise from the complexity, non-linearity, high volatilities, low liquidity, restricted ability to be valued, risk of a loss of returns or even a total loss of the invested capital, or from the counterparty risk.

If a derivative is embedded in a security, this must also be taken into account when applying the investment restrictions and for risk monitoring.

In addition to the general risks, derivatives and structured products on commodity indices and/or commodity sub-indices or individual commodities involve an additional risk potential. These risks consist in particular of political, military, economic (e.g. supply and demand) and natural (e.g. weather or environmental disasters) influences as well as terrorist or criminal activities, which may, inter alia, impair the production of or trade in commodities or which may adversely affect the availability or the price of the commodity concerned.

In addition to general risks, derivatives and structured products based on hedge funds and/or hedge fund indices involve an additional risk potential. Hedge funds are investment funds which employ alternative investment strategies and are subject to no or only minimal statutory or other restrictions. Depending on the respective hedge fund strategy, a reinforcement of the general market trend or a distinctly contrary market trend may occur, with significant upward and downward fluctuations.

### 3.3 INFORMATION ON CoCo-BONDS

CoCo-Bonds, also referred to as “CoCos” are contingent convertible bonds. They qualify as securities with a hybrid character insofar as they are issued in the form of bonds, which may lose their nominal value (i.e. be written down) or, following a determined trigger event, be transformed in equity. The trigger event will notably materialise when the prudential ratio (the so called “Tier One”) of the issuing bank falls under a certain threshold or upon a decision of the competent supervisory authority. In such case, the CoCo-Bonds initially issued under the form of a bond will be automatically converted into equity without the holder of the CoCo-Bond being preliminarily consulted. Investment in CoCo-Bonds may entail the following risks (non-exhaustive list):

- **LIQUIDITY RISK:** in certain circumstances finding a ready buyer for Co-Co-Bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.
- **CAPITAL STRUCTURE INVERSION RISK:** contrary to classical capital hierarchy, CoCo-Bonds’ investors may suffer a loss of capital when equity holders do not.
- **TRIGGER LEVEL RISK:** trigger levels determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the portfolio manager of a subfund to anticipate the triggering events that would require the debt to convert into equity.
- **CONVERSION RISK:** it might be difficult for the portfolio manager of the subfund to assess how the securities will behave upon conversion. In case of conversion into equity, the portfolio manager might be forced to sell these new equity shares because of the investment policy of the subfund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.
- **COUPON CANCELLATION:** for some CoCo-Bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.
- **CALL EXTENSION RISK:** some CoCo-Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

- **SECTOR CONCENTRATION RISK:** CoCo-Bonds are issued by banking/insurance institutions. If a subfund invests significantly in CoCo-Bonds its performance will depend to a greater extent on the overall condition of the financial services industry than a subfund following a more diversified strategy.
- **UNKNOWN RISK:** The structure of CoCo-Bonds is innovative and yet untested.

A detailed analysis of the risks inherent to CoCo-Bonds may be found in the statement ESMA/2014/944 (<http://www.esma.europa.eu/content/Potential-Risks-Associated-Investing-Contingent-Convertible-Instruments>).

### 3.4 INFORMATION ON HIGH YIELD BONDS

For securities of issuers which – according to market assessments – do not have a good credit rating, a higher-than-average volatility, compared to investment-grade bonds, must be expected or, as the case may be, even the complete loss of individual investments cannot be ruled out. Careful monitoring and a wide diversification of the issuers are used to reduce such risks.

### 3.5 INFORMATION ON INVESTMENTS IN ABS AND MBS

The liquidity level of the individual Asset Backed Securities („ABS“) and Mortgage Backed Securities („MBS“) in which the Subfund invests may be achieved only partially by the investment. As a result, the Subfund may redeem such positions with substantial difficulty and, as the case may be, at a disadvantageous price compared to its intrinsic value. This effect is aggravated by the fact that the ABS and MBS can, under certain circumstances, have a very long expiration period.

For certain ABS and MBS there is the additionally risk of premature repayment (so-called prepayment risk) or repayment after the due date (so-called extension risk).

The intrinsic value of the collateral pool (credit pool) underlying the ABS and MBS is subject to credit risks, liquidity risks and interest rate risks, and generally oscillates depending on the interest rate level, the general economic situation, the creditworthiness of the debtor and similar factors. A deterioration of these factors may increase the number of delayed payments or declarations of insolvency on the part of the debtors, and, consequently, may lead to the non-reimbursement of the collaterals underlying the ABS and MBS.

### 3.6 RISKS ASSOCIATED WITH INVESTMENTS IN THE PEOPLE'S REPUBLIC OF CHINA (PRC)

Where indicated in the relevant investment policy, the respective Subfund may invest directly in so-called “China-A” shares. “China-A” shares are quoted in Renminbi on the stock exchanges of Shanghai and Shenzhen, of companies founded on mainland China and can be purchased within the possibilities described below:

#### SHANGHAI-OR SHENZHEN HONG KONG STOCK CONNECT PROGRAMS

The respective Subfund may invest directly in certain permissible China A shares through the Shanghai Hong Kong Stock Connect Programme (the “**Stock Connect Programme**”). The Stock Connect Programme is a securities trading and clearing programme developed by Hong Kong Exchanges and Clearing Limited (“**HKEx**”), the Shanghai Stock Exchange (“**SSE**”) and China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”), whose objective is to provide mutual access to the stock markets of Hong Kong and the PRC.

Under the Stock Connect Programme, foreign investors (including the Subfunds) can trade certain China A shares listed on the SSE (the “SSE securities”) (known as Northbound Trading), subject to the currently applicable regulations governing the Northbound Trading Link. Conversely, investors in Mainland China have an opportunity to participate through the SSE and clearing houses in Shanghai (Southbound Trading) in trading in selected securities listed on the HKEx.

The SSE securities comprise the scope of all shares contained at the relevant time in the SSE 180 Index and in the SSE 380 Index, as well as all China A shares listed on the SSE. Furthermore, shareholders' attention is drawn to the fact that under the applicable ordinances, a security may be removed from the scope of the Stock Connect Programme. This may impair the ability of the Subfund concerned to achieve its investment objective, for



example, if the investment manager would like to buy a security that has been removed from the scope of the Stock Connect Programme.

Further information on the Stock Connect Programme can be obtained on the HKEx website.

Apart from risks connected with investments in international markets and emerging countries, and other general investment risks, which are described above and also apply to investments in China, investors should also consider the additional specific risks related to Shanghai-Hong-Kong Stock Connect, which are set out below:

#### QUOTA RISK

Trading is also subject to a cross-border maximum quota ("Aggregate Quota") and to a daily quota ("Daily Quota"). The Aggregate Quota relates to the restriction on the absolute funds flows to Mainland China through the Northbound trading link. The Daily Quota restricts the maximum net buying trades that may be conducted in cross-border trading on a daily basis under the Stock Connect Programme. As soon as the remaining balance of the Northbound Daily Quota reaches zero or is exceeded at the beginning of a session, new buying orders may be rejected.

In addition, there are restrictions on the aggregate holdings of foreign investments that apply to all investors from Hong Kong and abroad, as well as restrictions on the holdings of individual investors from abroad. On account of this quota restriction, impairments may occur if a pending investment in China A shares is not possible through the Stock Connect Programme and, as a result, the investment strategy cannot be efficiently implemented.

#### RESTRICTION OF FOREIGN SHARE OWNERSHIP

The PRC requires that the existing buying restrictions for foreign investors also be applied in conjunction with the Stock Connect Programme. Hong Kong and foreign investors come within the scope of this restrictions on share ownership. The limits may be altered at any time and are currently as follows:

- Shareholdings of foreign individual investors (including the Subfund), of each Hong Kong or foreign investor in China A shares, may not exceed 10% of the shares issued.
- Shareholdings of all foreign investors, of all Hong Kong and foreign investors in China A shares may not exceed 30% of the shares issued.

#### SSE PRICE LIMIT

SSE securities are subject to a general price limit, which is calculated on the basis of the closing price of the previous day. The price limit for shares and investment funds is currently between +/-10% and for shares under special treatment +/-5%. All orders must be within this price limit, which may change from time to time.

#### EXPOSURE RISK

Both the Stock Exchange of Hong Kong Limited ("SEHK") and the SSE reserve the right to suspend trading if it is necessary to ensure an orderly and fair market, and to control the risks prudentially. This may have a negative influence on the ability of the Subfund concerned to gain access to the market of the PRC.

#### DIFFERENT TRADING DAYS

The Stock Connect Programme is only available when both the markets in the PRC and those in Hong Kong are open for trading, and when the banks in both markets are also open on the settlement days concerned.

It may therefore happen that it is a usual trading day for the market in the PRC, whereas the market in Hong Kong is closed and investors from Hong Kong (such as, for example, the Subfunds) cannot trade China A shares. During this period, the Subfund concerned may be exposed to the risk of price fluctuations on China A shares owing to the fact that the Stock Connect Programme is not available for trading.

#### SHORT SELLING

The legal regulations of the PRC provide that sufficient shares must be available on the account before an investor may sell shares. If this is not the case, the SSE rejects the sales orders concerned. Before trading, the SEHK checks the sales orders of its exchange participants (i.e. share brokers) in relation to China A shares in order to make sure that no short selling is taking place.

## PROCESSING MODELS

Various Stock Connect Models have been developed for order processing. One of these is the "integrated model" in which the Subfund's local sub-custodian bank and broker belong to the same group. This allows the broker to confirm the availability, without transfer, of the securities, and the local sub-custodian bank to settle the account with a guarantee that the securities will not be transferred until the payment of the trade has been carried out (hence the name "synthetic DvP"). In another model, however, the respective shares are transferred to a broker one day before the planned purchase.

Another model is the "multi-broker model" or "SPSA model", in which up to 20 brokers can be appointed in addition to a local sub-custodian bank. This model only became possible in March 2015, when the authorities introduced the Special Segregated Accounts (SPSA) which enables local sub-custodian banks to open a SPSA directly with Hong Kong Securities Clearing Company Limited ("HKSCC"). Each investor is identified by a specific ID number. Thereby, the availability of securities can be confirmed, without them having to be transferred to a particular broker in advance. Thus, the SPSA model also takes into account all concerns regarding the beneficial ownership of shares. Once a separate account is opened, the Investment Manager and the name of the Subfund in question will appear on the account belonging to a the beneficial owner of the respective shares held in the account, according to the Hong Kong Stock Exchange ("HKEx"). However, under the classic SPSA "multi-broker model", the settlement process can give rise to the risk that the cash settlement of securities sold by a broker for one of his customers takes place only a few hours after the securities are transferred and credited to the customer.

## CLEARING AND SETTLEMENT RISKS

The Hong Kong Securities Clearing Company Limited ("HKSCC") and ChinaClear provide the clearing connection by entering into mutual shareholdings in order to facilitate the clearing and settlement of cross-border transactions. As the national central counterparty for the PRC's securities market, ChinaClear operates a comprehensive network with clearing, settlement and share depository infrastructure. ChinaClear has established a risk management concept and measures that are approved and monitored by the China Securities Regulatory Commission ("CSRC").

In the unlikely event of a payment default by ChinaClear and the latter being unable to meet its payment obligations, HKSCC shall only be liable in its clearing contracts with the market participants of the Northbound trading link to the extent that these market participants will receive support in enforcing their claims against ChinaClear. The HKSCC will attempt in good faith to settle and obtain the outstanding securities and funds through the available legal channels or apply for liquidation of ChinaClear. In this case, the Subfunds may only be able to call in their losses resulting from transactions with ChinaClear late or not in their entirety. On the other hand, an omission or a delay on the part of HKSCC in fulfilling its obligations may lead to a settlement failure or the loss of Stock Connect securities or related funds, which may subsequently cause losses to the Subfunds and their shareholders.

## NOMINEE ARRANGEMENTS FOR THE HOLDING OF CHINA A SHARES

If the Subfund concerned acquires SSE securities through the Stock Connect programme, HKSCC is the "nominee holder". HKSCC for its part holds the Stock Connect shares of all participants as a single nominee through a collective securities account (single nominee omnibus Securities account), which is held in its name with ChinaClear. HKSCC acts only as the nominee holder, whereas the Subfunds remain the beneficial owners of the Stock Connect shares.

The Stock Connect rules laid down by the CSRC expressly provide that investors who acquire SSE securities through the Stock Connect Programme can enforce their rights, which are in accordance with currently applicable Chinese law. However, it is uncertain whether the Chinese courts would recognize the ownership rights of Stock Connect investors and would give them the opportunity to take legal action against Chinese companies, if this were necessary.

Therefore the Subfund concerned and the Custodian Bank cannot ensure that the ownership of these securities by the Subfund concerned is guaranteed under all circumstances.

Furthermore, according to the HKSCC Clearing rules for securities listed or traded on the SEHK, HKSCC as the nominee holder is not under any obligation to take legal action or to conduct judicial proceedings to enforce rights for investors in relation to SSE securities in the PRC or elsewhere. Therefore problems or delays may occur for

the Subfund concerned in enforcing its rights in relation to China A shares, even if the ownership of the corresponding Subfund is ultimately recognized.

If it is assumed that HKSCC performs custodial functions in relation to assets held through it, it should be noted that the Custodian Bank and the Subfunds concerned have no legal relationship with HKSCC and have no direct recourse against HKSCC if the Subfund concerned should sustain losses due to the performance or insolvency of HKSCC.

#### TRADING COSTS

In connection with Northbound trades of China A shares through the Stock Connect Programme, in addition to payment of trading taxes and stamp duty, further costs are also incurred such as new portfolio fees, dividend taxes and income taxes from share transfers, which taxes are determined by the competent authorities.

#### REGULATORY RISK

The Stock Connect Programme is a new programme that is subject to the various regulations of the PRC and Hong Kong. Furthermore the implementing directives of the securities exchanges participating in the Stock Connect Programme are applicable. Since this programme is new, the regulations have not yet been tried and tested, so that there is not yet any certainty about the way in which they will be applied. The current regulations may be altered at any time. Moreover, there are no commitments with regard to the continued existence of the Stock Connect Programme in the future.

The attention of the shareholders of the Subfund concerned who may invest in the markets of Mainland China through the Stock Connect Programme is therefore drawn to the fact that they have to expect change, which may have a detrimental effect.

#### TAXATION OF INVESTMENTS IN THE PRC

The tax regulations in the PRC are subject to change, possibly with retroactive effect. Changes in tax regulations may reduce the relevant Subfund's after-tax profits and/or the capital invested in the PRC.

The Subfunds investing in securities and deposits in the PRC may be subject to a withholding tax and other taxes levied in the PRC, including the following:

Dividends and interest paid by companies in the PRC are subject to a withholding tax. The company in the PRC paying these dividends and this interest is currently responsible for withholding the tax when the payment is made.

Gains from the trading of securities in the PRC may be subject to a tax, although there are currently no clear guidelines for the way in which it will be imposed. Gains from the sale of China A shares via the Stock Connect Programme by foreign investors on or after 17 November 2014 are provisionally exempt from taxation, although no termination date for this exemption is currently known. There is no guarantee that this provisional exemption will remain in place in future or that it will not be cancelled, possibly with retroactive effect.

The Management Company and/or the Company reserve(s) the right at any time to make provisions for taxes or gains of the relevant Subfund which invests in assets in the PRC; this may affect the valuation of the relevant Subfund.

Given the uncertainty as to whether and how certain income from investments will be taxed in the PRC, and the possibility that the laws and practices in the PRC will change and that taxes may possibly also be levied retroactively, the tax provisions formed for the relevant Subfund may turn out to be excessive or insufficient to settle the final tax liabilities in the PRC. Consequently, this may work to the advantage or disadvantage of investors, depending on the final taxation of this income, the actual amount of the provision and the time of the purchase and/or sale of their units in the relevant Subfund. In particular, if the actual provisions are less than the final tax liabilities, and this gap has to be covered by the assets of the relevant Subfund, this would have a negative impact on the value of the assets of the relevant Subfund and, consequently, on the current investors; in any case, the net asset value of the Subfund concerned is not recalculated during the period of the missing, insufficient or excessive provisions.

#### 4. INVESTOR PROFILE

**JULIUS BAER STRATEGY GROWTH (CHF), JULIUS BAER STRATEGY GROWTH (EUR), JULIUS BAER STRATEGY GROWTH (GBP), JULIUS BAER GLOBAL EXCELLENCE EQUITY, JULIUS BAER EQUITY FUND SPECIAL VALUE, JULIUS BAER EQUITY ASIA, JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE, JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA, BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD, JULIUS BAER DYNAMIC ASSET ALLOCATION, JULIUS BAER EQUITY NEXT GENERATION, JULIUS BAER EQUITY SUSTAINABILITY and JULIUS BAER ASIA REITS.**

Each of these Subfunds is suitable for investors who have experience with volatile investments, have sound knowledge of the capital markets and wish to participate in the performance of the capital markets so as to pursue their specific investment objectives. Investors must expect fluctuations in the value of the investments, which may also lead to high temporary value losses. Each of these Subfunds may be used as a basic investment within the portfolio.

**JULIUS BAER STRATEGY BALANCED (CHF), JULIUS BAER STRATEGY BALANCED (EUR), JULIUS BAER STRATEGY BALANCED (USD), JULIUS BAER STRATEGY INCOME (CHF), JULIUS BAER STRATEGY INCOME (EUR), JULIUS BAER STRATEGY INCOME (USD), JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE, JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR), JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD), JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED, JULIUS BAER FIXED INCOME ASIA, JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS and JULIUS BAER FIXED MATURITY 2024 ASIA.**

Each of these Subfunds is suitable for investors who have experience with volatile investments, have sound knowledge of the capital markets and wish to participate in the performance of the capital markets so as to pursue their specific investment objectives. Investors must expect fluctuations in the value of the investments, which may temporarily also lead to substantial loss of value. Each of these Subfunds may be used as a basic investment within the portfolio.

#### 5. INVESTMENT MANAGER

The respective Investment Manager is authorised, without limitation, to make investments directly for the BJB-FUNDS, taking into account the investment objectives, policy and limits of the Company or the BJB-FUNDS, as applicable, and under the ultimate supervision of the Management Company or the Board of Directors or the auditor(s) appointed by the Management Company. The respective Investment Manager may, with the consent of the Management Company, avail itself of the assistance of investment advisers.

The Management Company and the Company may delegate the portfolio management of some or all of the BJB Funds to one or more Investment Managers under their supervision and ultimate responsibility, subject to the prior approval of the CSSF. The current names of the Investment Managers are as follows:

- **Bank Julius Bär & Co. Ltd**, Bahnhofstrasse 36, CH-8001 Zurich

Bank Julius Bär & Co. AG is the Investment Manager of the following BJB-FUNDS:

- JULIUS BAER STRATEGY BALANCED (CHF)
- JULIUS BAER STRATEGY BALANCED (EUR)
- JULIUS BAER STRATEGY BALANCED (USD)
- JULIUS BAER STRATEGY GROWTH (CHF)
- JULIUS BAER STRATEGY GROWTH (EUR)
- JULIUS BAER STRATEGY INCOME (CHF)
- JULIUS BAER STRATEGY INCOME (EUR)
- JULIUS BAER STRATEGY INCOME (USD)
- JULIUS BAER GLOBAL EXCELLENCE EQUITY
- JULIUS BAER EQUITY FUND SPECIAL VALUE

- JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE
- JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA
- JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE
- JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD)
- JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR)
- JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD
- JULIUS BAER DYNAMIC ASSET ALLOCATION
- JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED
- JULIUS BAER EQUITY NEXT GENERATION
- JULIUS BAER EQUITY SUSTAINABILITY
- JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS

The history of BANK JULIUS Bär & Co. Ltd stretches back to 1890. It is now established as a Swiss public limited company and is a wholly owned subsidiary of JULIUS Bär GROUP AG, Zurich. BANK JULIUS Bär & Co. Ltd is a bank within the meaning of the Swiss Banking Act (*schweizerisches Bankengesetz*) and as such is subject to the supervision of the Swiss Financial Market Supervision Authority (FINMA). The authorisation of FINMA also covers the activities of an asset manager.

- **Bank Julius Bär & Co. Ltd**, Singapore Branch, 7 Straits View #28-01 Marina One East Tower, Singapore 018936

Bank Julius Bär & Co. AG, Singapore Branch is the Investment Manager of the following BJB-FUNDS:

- JULIUS BAER EQUITY ASIA
- JULIUS BAER FIXED INCOME ASIA
- JULIUS BAER FIXED MATURITY 2024 ASIA
- JULIUS BAER ASIA REITS

Bank Julius Bär & Co. Ltd, Singapore Branch, is a company governed by Swiss law and a wholly-owned subsidiary of Julius Bär Group Ltd, Zurich. Bank Julius Bär & Co. Ltd, Singapore Branch, was registered as a branch in Singapore in 2007 and is subject to the supervision of the Monetary Authority of Singapore (MAS).

## 6. DESCRIPTION OF THE SHARES IN THE BJB-FUNDS

After the initial issue date, the Company may issue shares of the BJB-FUNDS in the following categories:

A shares:	distributing, as defined hereinafter;
Am shares:	distributing, on a monthly basis, as defined hereinafter;
Aq shares:	distributing, on a quarterly basis, as defined hereinafter;
B shares:	accumulating, as defined hereinafter;
C shares:	accumulating, for institutional investors, as defined hereinafter;
Ca shares:	distributing, for institutional investors, as defined hereinafter;
Cm shares:	distributing, on a monthly basis, for institutional investors, as defined hereinafter;
Cq shares:	distributing on a quarterly basis, for institutional investors, as defined hereinafter;
E shares:	accumulating, for certain distributors, as defined hereinafter;

K shares:	accumulating, with a minimum subscription amount, as defined hereinafter;
Ka shares:	distributing, with a minimum subscription amount, as defined hereinafter;
Km shares:	distributing, on a monthly basis, with a minimum subscription amount, as defined hereinafter;
Kq shares:	distributing on a quarterly basis, with a minimum subscription amount, as defined hereinafter;
N shares:	accumulating, for certain distributors, as defined hereinafter;
Na shares:	distributing, for certain distributors, as defined hereinafter;
Nm shares:	distributing, on a monthly basis, for certain distributors, as defined hereinafter;
Nq shares:	distributing, on a quarterly basis, for certain distributors, as defined hereinafter;
U shares:	accumulating, for certain investors, as defined hereinafter;
Ua shares:	distributing, for certain investors, as defined hereinafter;
Um shares:	distributing, on a monthly basis, for certain investors, as defined hereinafter;
Uq shares:	distributing, on a quarterly basis, for certain investors, as defined hereinafter;
V shares:	accumulating, with a minimum subscription amount, as defined hereinafter;
Va shares:	distributing, with a minimum subscription amount, as defined hereinafter;
Vm shares:	distributing, on a monthly basis, with a minimum subscription amount, as defined hereinafter;
Vq shares:	distributing, on a quarterly basis, with a minimum subscription amount, as defined hereinafter;
W shares:	accumulating, for institutional investors, as defined hereinafter;
Wa shares:	distributing, for institutional investors, as defined hereinafter;
Wm shares:	distributing, on a monthly basis, for institutional investors, as defined hereinafter;
Wq shares:	distributing on a quarterly basis, for institutional investors, as defined hereinafter;
X shares:	accumulating, with a minimum subscription amount, as defined hereinafter;
Xa shares:	distributing, with a minimum subscription amount, as defined hereinafter;
Xm shares:	distributing, on a monthly basis, with a minimum subscription amount, as defined hereinafter;
Xq shares:	distributing on a quarterly basis, with a minimum subscription amount, as defined hereinafter;
Y shares:	accumulating, for institutional investors, as defined hereinafter;
Ya shares:	distributing, for institutional investors, as defined hereinafter;
Ym shares:	distributing, on a monthly basis, for institutional investors, as defined hereinafter;
Yq shares:	distributing, on a quarterly basis, for institutional investors, as defined hereinafter;
Z shares:	accumulating, for certain institutional investors, as defined hereinafter;
Za shares:	distributing, for certain institutional investors, as defined hereinafter;

Zm shares:	distributing, on a monthly basis, for institutional investors, as defined hereinafter;
Zq shares:	distributing, on a quarterly basis, for institutional investors, as defined hereinafter;
A, B, C, Ca, Cm, Cq, E, K, Ka, Km, Kq, N, Na, Nm, Nq, U, Ua, Um, Uq, V, Va, Vm, Vq, W, Wa, Wm, Wq, X, Xa, Xm, Xq, Y, Ya, Ym, Yq, Z, Za, Zm and Zq shares with the suffix "h"	share category with full currency-hedging as defined hereinafter,
A, B, C, Ca, Cm, Cq, E, K, Ka, Km, Kq, N, Na, Nm, Nq, U, Ua, Um, Uq, V, Va, Vm, Vq, W, Wa, Wm, Wq, X, Xa, Xm, Xq, Y, Ya, Ym, Yq, Z, Za, Zm and Zq shares with the suffix "p"	share category with partial currency-hedging, as defined hereinafter.

Shares are issued only in registered form.

With regards to all BJB-FUNDS, shares categories can be issued either in the Subfund's accounting currency, or alternatively, in the currencies depicted in the table (Chapter 16 of the General Part). Details of the share categories available in each case can be obtained from the Management Company, the central administration agent or from the information agents and distributors, as well as at [www.funds.gam.com](http://www.funds.gam.com).

#### CURRENCY-HEDGING

The above share categories (if available) may be offered in different currencies at the discretion of the Management Company. If a share category is offered in a currency other than the accounting currency of the relevant subfund, it may be offered either without or with currency-hedging and will be labelled accordingly.

If a share category is labelled with the suffix "h", it refers to a currency-hedged share category, in which the shares of the share category are fully hedged against the accounting currency of the Subfund. Alternatively, if a share category is labelled with the suffix "p", it refers to a partially currency-hedged share category, in which 50% of the accounting currency of the respective Subfund is hedged against the currency of the share category.

Share categories without the suffix "h" and "p" don't have currency-hedging between the accounting currency of the Subfund and the currency of the share category. In this regard, further information on currency-hedging of share categories can be found in the General Part, Chapter "Description of Shares"

#### DESCRIPTION OF THE SHARE CATEGORIES

**A, Am und Aq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are available to all investors, without a minimum subscription amount.

**B SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are available to all investors, without a minimum subscription amount.

**C, CA, Cm and Cq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") may only be purchased by "institutional investors" within the meaning of Article 174ff of the 2010 Law. For legal entities incorporated in the EU, the definition of "institutional investor" includes, inter alia, all eligible counterparties and all clients per se considered to be professional clients within the meaning of Directive 2014/65/EC on Markets in Financial Instruments ("MIFID") and who have not applied for treatment as a non-professional client.

**E SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are issued exclusively to distributors domiciled in Spain or in Italy and to other specified distributors in other distribution markets, provided the Board of Directors of the Company has decided on a special authorisation for the latter to distribute the E SHARES (including, if applicable, currency-hedged shares with the suffix "h" and "p"). All other distributors are not allowed to acquire E SHARES (including, if applicable, currency-hedged shares with the suffix "h" and "p").

**K, KA, Km and Kq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are available to all investors, provided the minimum subscription amount is invested (see below minimum

subscription amount) or to employees of the Julius Baer Group who are exempted from the minimum subscription amount. Regarding the distribution, offering or holding of such shares (including, if applicable, currency-hedged shares with the suffix "h" and "p"), the Company will not pay any fees, commissions or other monetary or non-monetary benefits.

**N, NA, Nm and Nq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are available exclusively to certain distributors who are not permitted to accept and retain fees, commissions or other monetary or non-monetary benefits of a third party or a person acting on behalf of a third party, whether (i) by virtue of legal provisions or (ii) on the grounds that they have entered into discretionary individual asset management or investment advisory mandates with separate fee agreements with their clients that exclude such payments. Consequently, no fees, commissions or other monetary or non-monetary benefits will be paid by the Company for sales and intermediary services in connection with the distribution, offering or holding of such shares (including, if applicable, currency-hedged shares with the suffix "h" and "p").

**U, UA, Um and Uq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are issued exclusively to investors that have entered into an investment advisory mandate with separate fee agreement with Julius Baer International Limited, 1 St Martin's Le Grand, London EC1A 4AS, England or that have entered into investment advisory mandates with separate fee agreements with another company of the Julius Bär Group and that receive advice from Julius Bär International Limited, 1 St. Martin's Le Grand, London EC1A 4AS, England or from Julius Bär International Limited, Branch Ireland, 2 Hume Street, Dublin 2 D02 FT82, Ireland within the framework of this advisory mandate. Regarding the distribution, offering or holding of such shares (including, if applicable, currency-hedged shares with the suffix "h" and "p"), the Company will not pay any fees, commissions or other monetary or non-monetary benefits for sales and intermediary services.

**V, VA, Vm and Vq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are available to all investors, provided the minimum subscription amount is invested (see below minimum subscription amount)

**W, WA, Wm and Wq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") provided the minimum subscription amount is invested, these shares may be purchased only by "institutional investors" within the meaning of Article 174ff of the 2010 Law. For legal entities incorporated in the EU, the definition of "institutional investor" includes i.a. all eligible counterparties and all clients per se considered to be professional clients within the meaning of Directive 2014/65/EC on Markets in Financial Instruments ("MIFID") and who have not applied for treatment as a non-professional client.

**X, XA, Xm and Xq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are available to all investors, provided the minimum subscription amount is invested (see below minimum subscription amount)

**Y, YA, Ym and Yq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") provided the minimum subscription amount is invested, these shares may be purchased only by "institutional investors" within the meaning of Article 174 of the 2010 Law. For legal entities incorporated in the EU, the definition of "institutional investor" includes all eligible counterparties and all clients per se considered to be professional clients within the meaning of Directive 2014/65/EC on Markets in Financial Instruments ("MIFID") and who have not applied for treatment as a non-professional client.

**Z, ZA, Zm and Zq SHARES** (including, if applicable, currency-hedged shares with the suffix "h" and "p") are issued exclusively to Subfunds of the SICAV Multicooperation SICAV, which are managed by Bank Julius Bär & Co. AG and to "institutional investors", within the meaning of Article 174 seqq. of the 2010 Law. In particular, to the Subfunds Multicooperation SICAV – JULIUS BAER STRATEGY BALANCED (CHF), Multicooperation SICAV – JULIUS BAER STRATEGY BALANCED (EUR), Multicooperation SICAV – JULIUS BAER STRATEGY BALANCED (USD), Multicooperation SICAV – JULIUS BAER STRATEGY GROWTH (CHF), Multicooperation SICAV – JULIUS BAER STRATEGY GROWTH (EUR), Multicooperation SICAV – JULIUS BAER STRATEGY INCOME (CHF), Multicooperation SICAV – JULIUS BAER STRATEGY INCOME (EUR) and Multicooperation SICAV – JULIUS BAER STRATEGY INCOME (USD). Other investors are not allowed to acquire such shares (including, if applicable, currency-hedged shares with the suffix "h" and "p")



## 7. DISTRIBUTION POLICY

The Company intends to distribute appropriate dividends taking into account the following aspects for the distributing shares in accordance with Luxembourg law, the articles as well as this prospectus:

- the net income generated by the Subfund (i.e. interest, dividends, other income);
- the capital and foreign-currency gains generated by the Subfund.

The annual distributions for the distributing share categories ("A" or with the addition "a", "m" and "q") are generally made within one month of the determination of the dividend in the currency of the respective share category. For the share categories with distribution on a monthly basis (with the suffix "m") and quarterly basis (with the suffix "q"), a regular interim dividend in the currency of the respective share category is provided for, the payment of which shall in principle be made monthly or quarterly in the currency of the respective share category.

The amount of dividends paid is not fixed and varies according to economic and other circumstances. The Company reserves the right to modify the distribution policy at any time in the interest of the shareholders, particularly also for tax reasons.

Occasionally, dividends may be distributed from the capital if the income / capital gains generated by the Subfund are insufficient. This may, in certain circumstances, reasonably maintain a constant payment per Share. The Subfund is managed in the interest of all Shareholders in accordance with the stated investment objectives and not with the aim of maintaining a stable pay-out per share for a particular share category. Shareholders should note in this connection that the payment of dividends from the capital represents a return or withdrawal of part of the amount they originally invested or of the capital gains attributable to the original investment. Such distributions may result in an immediate decrease in the Net Asset Value per share of the Subfund.

## 8. FEES AND COSTS

### A. MANAGEMENT FEE

For the management and advisory services relating to the securities portfolio and related administrative services as well as for distribution services, an annual maximum management fee based on the net asset value of the respective Subfund shall be debited to the latter, as follows:

Subfunds	Max. management fee ***** p.a. as % of net asset value						
	Shares A*) B*) E*); ****)	Shares C*); **) K*); ****)	Shares N*); ***)	Shares U*); ***)	Shares V*); **) W*); **)	Shares X*); **) Y*); **)	Shares Z*); **)
JULIUS BAER STRATEGY BALANCED (CHF)	1,40%	0,85%	1,00%	0,85%	0,75%	0,65%	0,00%
JULIUS BAER STRATEGY BALANCED (EUR)	1,40%	0,85%	1,00%	0,85%	0,75%	0,65%	0,00%
JULIUS BAER STRATEGY BALANCED (USD)	1,40%	0,85%	1,00%	0,85%	0,75%	0,65%	0,00%
JULIUS BAER STRATEGY GROWTH (CHF)	1,50%	0,90%	1,05%	0,90%	0,80%	0,70%	0,00%
JULIUS BAER STRATEGY GROWTH (EUR)	1,50%	0,90%	1,05%	0,90%	0,80%	0,70%	0,00%
JULIUS BAER STRATEGY INCOME (CHF)	1,30%	0,80%	0,90%	0,80%	0,70%	0,60%	0,00%
JULIUS BAER STRATEGY INCOME (EUR)	1,30%	0,80%	0,90%	0,80%	0,70%	0,60%	0,00%
JULIUS BAER STRATEGY INCOME (USD)	1,30%	0,80%	0,90%	0,80%	0,70%	0,60%	0,00%
JULIUS BAER GLOBAL EXCELLENCE EQUITY	1,65%	0,90%	1,10%	0,90%	0,80%	0,70%	0,00%

JULIUS BAER EQUITY FUND SPECIAL VALUE	2,00%	0.85%	0.95%	0.85%	0,75%	0,65%	0,00%
JULIUS BAER EQUITY ASIA	1,65%	0,90%	0,90%	0,90%	0,80%	0,70%	0,00%
JULIUS BAER EQUITY GLOBAL EXCELLENCE EUROPE	1,65%	0,90%	0,90%	0,90%	0,80%	0,70%	0,00%
JULIUS BAER EQUITY GLOBAL EXCELLENCE NORTH AMERICA	1,65%	0,90%	0,90%	0,90%	0,80%	0,70%	0,00%
JULIUS BAER FIXED INCOME EMERGING MARKETS CORPORATE	1,10%	0,60%	0,70%	0,60%	0,50%	0,40%	0,00%
JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (EUR)	1,10%	0,60%	0,70%	0,60%	0,50%	0,40%	0,00%
JULIUS BAER FIXED INCOME INVESTMENT GRADE CORPORATE (USD)	1,10%	0,60%	0,70%	0,60%	0,50%	0,40%	0,00%
JULIUS BAER FIXED INCOME GLOBAL QUALITY HIGH YIELD	1,10%	0,60%	0,70%-	0,60%	0,50%	0,40%	0,00%
JULIUS BAER DYNAMIC ASSET ALLOCATION	1,60%	1,00%	1,10%	1,00%	0,90%	0,80%	0,00%
JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED	1,10%	0,60%	0,70%	0,60%	0,50%	0,40%	0,00%
JULIUS BAER EQUITY NEXT GENERATION	2,00%	1,00%	1,10%	1,00%	0,90%	0,80%	0,00%
JULIUS BAER EQUITY SUSTAINABILITY	1,70%	0,90%	1,00%	0,90%	0,80%	0,70%	0,00%
JULIUS BER FIXED INCOME ASIA	1,10%	0,60%	0,70%	0,60%	0,50%	0,40%	0,00%
JULIUS BAER FIXED MATURITY 2025 GLOBAL EMERGING MARKETS	0.80%	0.45%	0.55%	0.45%	0.40%	0.30%	0,00%
JULIUS BAER FIXED MATURITY 2024 ASIA	0.80%	0.45%	0.55%	0.45%	0.40%	0.30%	0,00%
JULIUS BAER ASIA REITS	1,65%	0,90%	0,90%	0,90%	0,80%	0,70%	0,00%

- \*) These shares are also available with the suffix or suffixes "a", "m", "q", "h" and "p", as defined in more detail in the chapter "Description of the shares of BJB funds".
- \*\*) Regarding the distribution, offering or holding of these shares, the Company will not pay any commission for any distribution services.
- \*\*\*) Regarding the distribution, offering or holding of these shares, the Company will not pay any fees, commissions or other monetary or non-monetary benefits for distribution and intermediary services.
- \*\*\*\*) An additional distribution fee of maximum 0.75% p.a. may be charged for these shares.
- \*\*\*\*\*) This percentage rate represents a maximum rate. The effective rate applied will be stated in the annual and semi-annual reports of the Company.

The remuneration of the Management Company, the custodian bank, the principal administrative agent, the principal paying agent, the transfer agent and registrar, as well as the fee for currency hedging at currency category level is paid separately and amounts to a maximum of 0.30% p.a.

## B. ADDITIONAL CHARGES

The Company also pays costs relating to its business operations. These include, inter alia, the following:

Costs of operational management and supervision of the Company's business, for taxes and tax services, costs of legal and auditing services, annual and semi-annual reports and prospectuses, publication costs in relation to the convening of the general meeting, share certificates and the payment of dividends, registration fees and other costs arising from or relating to reporting requirements to the authorities in the different distribution countries, sales support, paying agents and representatives, SSB-LUX (provided it is not already included in the

aforementioned fee according to the provisions in the Special Part concerned), fees and expenses of the Board of Directors of the Company, insurance premiums, interest, stock exchange listing fees and brokerage fees, as well as for research services, including the special settlement of an analysis fee to be paid to the Investment Manager from the funds of the Company, via a separate account, a so-called Research Payment Account ("RPA"), as defined in Chapter 22, section "Incentives" of the General Part, purchase and sale of securities, public charges, license fees, reimbursement of expenses to the custodian and all other contractual parties of the Company as well as the costs of publishing the net asset value per share and the share prices.

Where such expenses and costs apply to all Subfunds equally, each Subfund is charged pro rata the costs corresponding to its share of the volume of the Company's total assets. Where expenses and costs only apply to one or some of the Subfunds, the costs are charged in full to the Subfund or Subfunds in question. Marketing and advertising expenditure may only be charged in individual cases following a resolution of the Board of Directors.

#### **C. INFORMATION REGARDING INVESTMENTS IN FUND-OF-FUNDS STRUCTURES**

In addition to the costs related to the JULIUS BAER DYNAMIC ASSET ALLOCATION and JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED levied in accordance with the provisions of this Prospectus and the Articles of Association, costs for the activity of the Management Company, the remuneration of the custodian, costs related to the auditors, taxes, as well as other costs, commissions and fees may apply for the target funds and, in consequence, multiple debit for similar costs may occur. The Management Fees charged to the target funds by their respective service providers generally amount to a maximum of 3.00%.

## **9. ISSUE OF SHARES**

### **A. GENERAL**

After expiry of the initial subscription period, the shares of BJB-FUNDS shall be issued on each valuation date. The issue price is based on the net asset value of the shares on the applicable valuation date in each case and shall be rounded to two decimal places.

Pursuant to the provisions contained in the General Part of the prospectus, a selling fee of a maximum of 5% may be charged additionally. In the case of large orders, the selling fee can be reduced accordingly, in which case investors investing the same amounts over the same period must be treated equally.

### **B. MINIMUM SUBSCRIPTION AMOUNT**

At the initial subscription, certain share categories are subject to minimum subscription amount per subfund as shown in the table below:

SHARE CATEGORY	MINIMUM SUBSCRIPTION AMOUNT PER SUBFUND IN THE RESPECTIVE REFERENCE CURRENCY OF THE RESPECTIVE SUBFUND OR THE EQUIVALENT AMOUNT IN THE CURRENCY OF THE SHARE CATEGORY CONCERNED
C, CA, CM and CQ SHARES (including, if applicable, currency-hedged shares with the suffix "h" and "p")	500.000,-
K, KA, KM and KQ SHARES (including, if applicable, currency-hedged shares with the suffix "h" and "p")	500.000,-
V, VA, VM and VQ SHARES (including, if applicable, currency-hedged shares with the suffix "h" and "p")	10.000.000,-
W, WA, WM and WQ SHARES (including, if applicable, currency-hedged shares with the suffix "h" and "p")	10.000.000,-
X, XA, XM and XQ SHARES (including, if applicable, currency-hedged shares with the suffix "h" and "p")	25.000.000,-
Y, YA, YM and YQ SHARES (including, if applicable,	25.000.000,-

SHARE CATEGORY	MINIMUM SUBSCRIPTION AMOUNT PER SUBFUND IN THE RESPECTIVE REFERENCE CURRENCY OF THE RESPECTIVE SUBFUND OR THE EQUIVALENT AMOUNT IN THE CURRENCY OF THE SHARE CATEGORY CONCERNED
currency-hedged shares with the suffix "h" and "p")	

The Board of Directors of the Company may at its discretion accept initial subscription applications of a lower amount than the minimum subscription amount indicated. Further subscriptions of the above mentioned shares are not subject to a minimum subscription amount.

#### C. APPLICATION PROCEDURE

Investors may subscribe to shares of the BJB-FUNDS at any time directly with the principal paying agent in Luxembourg named in the General Part of the prospectus (or, as applicable, with appointed local distributors or paying agents in individual distribution countries). The exact identity of the subscriber, the name of the Subfund and the category of the shares being subscribed must be stated.

All subscriptions of shares in the Subfunds, received by the principal paying agent on a valuation day (as defined in the section "Calculation of Net Asset Value") by no later than 3.00 p.m., and, respectively, in the Subfunds JULIUS BAER STRATEGY BALANCED (CHF), JULIUS BAER STRATEGY BALANCED (EUR), JULIUS BAER STRATEGY BALANCED (GBP), JULIUS BAER STRATEGY BALANCED (USD), JULIUS BAER STRATEGY GROWTH (CHF), JULIUS BAER STRATEGY GROWTH (EUR), JULIUS BAER STRATEGY GROWTH (GBP), JULIUS BAER STRATEGY INCOME (CHF), JULIUS BAER STRATEGY INCOME (EUR), JULIUS BAER STRATEGY INCOME (USD) and JULIUS BAER EQUITY NEXT GENERATION received by no later than 11.00 a.m. Luxembourg local time (cut-off time) will be made at the issue price determined on the next valuation day. Subscriptions received after this time will be made at the issue price of the valuation day after the following valuation day.

All subscriptions of shares in the Subfunds JULIUS BAER FIXED INCOME ASIA and JULIUS BAER FIXED MATURITY 2024 ASIA received by the principal paying agent on a valuation day (as defined in the section "Calculation of Net Asset Value" of the General Part) by no later than 3.00 p.m., Luxembourg local time (cut-off time), will be made at the issue price determined on the subsequent second (2) Valuation Day. Subscriptions received after this time will be made at the issue price of the third (3) Valuation Day.

All subscriptions of shares in the Subfunds JULIUS BAER DYNAMIC ASSET ALLOCATION and JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED received by the principal paying agent on a valuation day (as defined in the section "Calculation of Net Asset Value" of the General Part) by no later than 11.00 a.m., Luxembourg local time (cut-off time), will be made at the issue price determined on the subsequent third (3) Valuation Day. Subscriptions received after this time will be made at the issue price of the fourth (4) Valuation Day. The value of the total amount of the subscription must be credited to the account indicated in the General Part of this prospectus within four (4) Luxembourg banking days of the applicable valuation day in which the issue price has been determined.

No share coupons or share certificates will be delivered.

The Company reserves the right to reject applications or to accept them only in part or to request further information and documents. If an application is rejected in whole or in part, the subscription amount or the corresponding balance will be transferred back to the applicant.

#### D. INVESTMENT RESTRICTIONS FOR US PERSONS

The BJB Funds have not been and will not be registered in the US under the Investment Company Act of 1940, as amended. The share of the BJB Funds have not been and will not be registered in the United States under the Securities Act of 1933, as amended ("Securities Act") or under the securities laws of any state of the United States. The shares made available under this product range may not be offered or sold, directly or indirectly, in the United States or to or for the benefit of any U.S. person (as defined in Rule 902 of Regulation S under the Securities Act). Applicants may be required to make a declaration that they are not a US person and that they are not applying to subscribe for shares on behalf of a US person or acquiring shares with the intention of selling

them to a US person. Should a shareholder become a US Person, they may be subject to US withholding taxes and US tax reporting.

## 10. REDEMPTION OF SHARES

### A. GENERAL

Shares of BJB-FUNDS shall be redeemed on any valuation date by application to the principal paying agent in Luxembourg named in the General Part of the prospectus (or where applicable to local distributors or paying agents appointed in individual distribution countries).

All requests for redemption of shares in the Subfunds received by the principal paying agent on a valuation day by no later than 3.00 p.m. and, respectively, in the Subfunds JULIUS BAER STRATEGY BALANCED (CHF), JULIUS BAER STRATEGY BALANCED (EUR), JULIUS BAER STRATEGY BALANCED (USD), JULIUS BAER STRATEGY GROWTH (CHF), JULIUS BAER STRATEGY GROWTH (EUR), JULIUS BAER STRATEGY INCOME (CHF), JULIUS BAER STRATEGY INCOME (EUR), JULIUS BAER STRATEGY INCOME (USD) and JULIUS BAER EQUITY NEXT GENERATION no later than 11.00 a.m. Luxembourg local time (cut-off time) will be made at the redemption price determined on the next valuation day. Applications received after this cut-off time will be made at the redemption price of the valuation day after the following valuation day.

All requests for redemption of shares in the Subfunds JULIUS BAER FIXED INCOME ASIA and JULIUS BAER FIXED MATURITY 2024 ASIA received by the principal paying agent on a valuation day (as defined in the section "Calculation of Net Asset Value" of the General Part) by no later than 3.00 p.m. Luxembourg local time (cut-off time) will be made at the redemption price determined on the subsequent second (2) Valuation Day. Redemptions received after this time will be made at the redemption price of the third (3) Valuation Day.

All requests for redemption of shares in the Subfunds JULIUS BAER DYNAMIC ASSET ALLOCATION and JULIUS BAER MULTI-MANAGER FIXED INCOME UNCONSTRAINED received by the principal paying agent on a valuation day (as defined in the section "Calculation of Net Asset Value" of the General Part) by no later than 11.00 a.m., Luxembourg local time (cut-off time) will be made at the redemption price determined on the subsequent third (3) Valuation Day. Redemptions received after this time will be made at the redemption price of the fourth (4) Valuation Day.

The redemption price is based on the net asset value of the shares on the valuation date applicable in each case and is rounded to the nearest hundredth. If no selling fee was charged when the shares were issued, a redemption fee of up to a maximum of 3% of the net asset value may be charged instead.

In general, payments are made in the currency of the respective Subfund or in the reference currency of the corresponding share category within four (4) Luxembourg banking days of the applicable valuation day in which the redemption price has been determined.

### B. PRICE SETTING PROCEDURE

Following price setting procedure shall come into effect for the BJB-FUNDS:

- (i) at mid prices; provided that the valuation rules are applied consistently to each Subfund for the duration of its existence;
- (ii) at the bid and offer prices at the cut-off time if bid and offer prices are used to establish the prices at which shares are issued and redeemed; or
- (iii) at the quoted bid prices if the value of all redemption requests received on a trading day exceeds the value of all subscription requests received for that trading day, or at the quoted offer price if the value of all subscription requests received on a trading day exceeds the value of all redemption requests received for that trading day, in order in any case to maintain the value of the shares of the existing shareholders.

This provision shall only come into force as from the effective date of amendment of the Articles of Association.

## **11. SWITCHING OF SHARES**

Shares of BJB-FUNDS may be switched for shares of other active Subfunds of the Company to which such a switch is permitted in return for payment of a switching fee of up to 1% maximum of the net asset value of the aforesaid shares. No switching fee shall be charged for switching to shares of another Subfund of the Company launched on behalf of BANK JULIUS BÄR & CO. AG.

Shareholders of the BJB-FUNDS are entitled to switch some or all of their shares for shares in another Subfund on a valuation day which is applicable for both Subfunds, as well as within the BJB-FUNDS to switch shares of one share category into shares of another share category. All the qualification prerequisites and minimum subscription amounts ("Minimum Switching Value") and the other conditions applicable to the original share category or the new share category shall apply for the Distributors and/or shareholders effecting a switch. The Company's Board of Directors may at its discretion accept initial switching applications for an amount lower than the stated minimum switching amount.

Furthermore, the same modalities apply to requests for switching of shares as to redemptions of shares, and the provisions of the General Part of the prospectus are applicable.

## **MULTICOOPERATION SICAV**

# **GAM COMMODITY**

A Subfund of the SICAV under Luxembourg law MULTICOOPERATION SICAV,  
Luxembourg, launched by GAM (Luxembourg) S.A., Luxembourg

### **SPECIAL PART C: 10 MARCH 2021**

This part of the prospectus supplements the General Part with regard to the GAM COMMODITY (hereinafter referred to as the "GAM COMMODITY" or "Subfund").

The provisions below must be read in conjunction with the corresponding provisions in the General Part of the prospectus.

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## 1. ISSUE OF SHARES

The Shares in the GAM COMMODITY were offered for the first time under the then name of GAM COMMODITY (USD) from 21<sup>st</sup> to 28<sup>th</sup> February 2006 at an initial Issue Price of USD 100 per Share, plus a selling fee payable to the distributor of up to 5% of the Issue Price.

## 2. INVESTMENT OBJECTIVES AND INVESTMENT POLICY

### 2.1 INVESTMENT OBJECTIVES AND INVESTMENT POLICY

The investment objective of the Company in relation to the Multicooperation SICAV – GAM COMMODITY ("GAM COMMODITY ") is to indirectly participate in the growth potential of the international commodity and futures markets and thus to achieve long-term capital growth.

For this purpose, GAM COMMODITY mainly invests in financial derivative instruments whose underlying assets represent several commodity indices, which may also be commodity sub-indices ("benchmark commodity indices"). GAM COMMODITY may also use certificates and structured products on benchmark commodity indices and/or on individual commodities.

As a result, it is possible to actively vary the exposure of GAM COMMODITY to different commodity categories by combining investments in different benchmark commodity indices and additionally by over- or under-weighting benchmark commodity indices through long positions or synthetic short positions, according to the assessment of the market situation.

The performance of the benchmark commodity indices underlying the financial derivative instruments is tracked by concluding one or more cash-settled swap agreements (e.g. total return swaps). The counterparties are exclusively first-class financial institutions specialising in these transactions.

When implementing the investment policy using derivative financial instruments, only commodity benchmark indices that comply with the rules contained in the General Part of the prospectus in chapter 6.10 "Investments in financial indices in accordance with Article 9 of the Grand Ducal Regulation of 8 February 2008" are used.

All commodity benchmark indices used for the subfund will reflect a representative, balanced selection of commodities from the respective, relevant commodity universe. Investments in individual commodity indices are excluded. The individual commodity benchmark indices may use the higher diversification limits as described in chapter 6.10. Reasons for this may arise from the respective, applicable commodity universe, in which certain index components may have a superior ranking.

The commodity benchmark indices used for the subfund are generally rebalanced every 6 or 12 months.

Information on the commodity benchmark indices in which the subfund is invested from time to time may be viewed at any time at the registered office of the company and on the website [www.funds.gam.com](http://www.funds.gam.com), including information about a publicly accessible website of the index sponsor on which a description of the index as well as information about its composition, method of calculation, performance, etc., is available.

The exposure to such commodity markets and commodity futures is at least two-thirds of the assets of GAM COMMODITY, although physical delivery is excluded in all cases. At no time is any investment made in derivatives whose underlying security is commodities themselves.

GAM COMMODITY will hold long positions of up to 150% of its net assets by means of financial derivative instruments and (so-called synthetic) short positions of up to 50% of its net assets by means of cash-settled financial derivative instruments.

In order to implement its strategies, GAM COMMODITY intends to make full use of the possibility of investing in derivatives or of using special investment techniques, as set out in the General Part of the prospectus in the section "Special investment techniques and financial instruments", while complying with the restrictions laid down therein in each case.

The obligations contracted through the use of financial derivative instruments are covered at all times by liquid assets such as fixed- or floating-rate securities, debt securities and claims (including zero-coupon bonds) of good credit rating, money market paper, cash and cash-equivalent instruments in order to be able to cover at all times the obligations of GAM COMMODITY resulting from its positions in financial derivative instruments (including short positions).

Up to a maximum of one third of the assets of GAM COMMODITY may be invested in other assets, including financial derivative instruments, permissible under Article 41 paragraph 1 of the law of 2010 and according to the ordinances enacted and supervisory circulars issued on such instruments.

Furthermore, in the interests of efficient portfolio management and for hedging purposes, financial derivative instruments and special investment techniques may also be used.

The overall risk of the GAM COMMODITY is monitored using the VaR method.

The GAM COMMODITY may, in addition, hold liquid assets.

The GAM COMMODITY is denominated in US dollars. The reference currency (USD) is not identical in every case to the currency of investment. Foreign currency risks may be fully or partially hedged against the US dollar. A depreciation caused by exchange rate fluctuations cannot be ruled out.

## **2.2 INFORMATION CONCERNING INVESTMENTS IN DERIVATIVES AND SPECIAL INVESTMENT TECHNIQUES AND FINANCIAL INSTRUMENTS**

In order to achieve its investment objective, the GAM COMMODITY may, instead of direct investments, mainly make use of derivative instruments and other special investment techniques and financial instruments, in particular swaps, certificates and structured products to build up and to maintain commodity markets and commodity futures exposure. The provisions in the General Part of the prospectus, section 6.9 "Swaps and other financial derivatives with similar characteristics", will be taken into account. In addition to the risk features of securities, those of derivatives and other investment techniques and instruments therefore also have to be noted. In general, they are exposed to the risks of the markets or basic instruments underlying them and often involve higher risks than direct investments in securities. Potential risks of such instruments may, for example, result from the complexity, non-linearity, high volatility, low liquidity, restricted ability to be valued, risk of a loss of earnings or even a total loss of the invested capital or from the counterparty risk. In addition to the general risks, derivatives, certificates and structured products on commodity indices, commodity sub-indices involve an additional risk potential. These risks consist in particular of political, military, economic (e.g. supply and demand) and natural (e.g. weather or environmental disasters) influences as well as terrorist or criminal activities, which may, inter alia, impair the production of or trade in commodities or which may have a negative impact on the availability or the price of the commodity concerned.

## **2.3 SUSTAINABILITY RISKS**

The Subfund invests mainly in the international commodity and futures markets and therefore does not take into account sustainability risks as described and defined in the Sustainable Financial Product Disclosure section of the Prospectus.

### **EXCLUSION POLICY**

The Investment Manager's exclusion criteria are detailed in the Investment Manager's proprietary exclusion policy, published and available on <https://www.gam.com/corporate-responsibility/responsible-investing>. The exclusion policy is actively monitored to ensure it remains current and that the ESG preferences of investors are effectively integrated.

## **3. LEVERAGE**

The market risk that may be entered into on behalf of the GAM COMMODITY through the use of derivative financial instruments, as provided for in CSSF Circular 11/512, is monitored and limited using the relative value-at-risk method ("VaR method") (see chapter 5 "Investment limits", point 2 (a)).

In the case of calculations based on the VaR method, CSSF Circular 11/512 also requires that the leverage resulting from the use of derivatives be indicated. The CSSF stipulates that the sum of notional approach method be used to calculate the leverage, but permits this information to be supplemented by leverage values calculated using the commitment approach.

In the case of the sum of notional approach, the leverage is a measure of the total use of derivatives and is calculated as the sum of absolute nominal values of the derivative instruments in the GAM COMMODITY.

In the case of the commitment approach as presented in ESMA Guidelines 10-788, explicit account is taken both of the sensitivities in relation to market risk factors as well as netting/hedge ratios between financial derivatives and securities as well as between financial derivatives themselves.

In normal market conditions, the leverage calculated using the sum of notional approach with respect to the fund volume should exhibit the following value for the GAM COMMODITY. This leverage may change over time, and the actual values may exceed or fall below the expected figures indicated below by a significant amount. The actual value of the leverage in the past reporting period is indicated in the annual report of the Subfund. The expected leverage values are indicators and do not constitute limits laid down by the supervisory authority.

MULTICOOPERATION SICAV	EXPECTED VALUE
GAM COMMODITY	150%

The leverage describes the quotient of (i) the sum of nominal values of the derivative financial instruments and (ii) the assets of the subfund.

The following information should also be noted: in normal market conditions, the leverage calculated using the commitment approach with respect to the fund volume should exhibit the following value for the GAM COMMODITY. The degree of leverage may change over time, and the actual values may be higher or lower than the expected values indicated below. The actual leverage in the previous reporting period is indicated in the annual report of the subfund. The expected leverage values are indicators and do not constitute limits laid down by the supervisory authority.

MULTICOOPERATION SICAV	EXPECTED VALUE
GAM COMMODITY	150%

The leverage describes the quotient of (i) the market risk exposure - arising from the use of derivative financial instruments, as calculated using the commitment approach - in excess of the Subfund's assets and (ii) the Subfund's assets.

Furthermore, the GAM COMMODITY may not borrow for investment purposes - one exception from this rule being the possibility of short-term borrowing of up to 10% of the net asset value of the Subfund, as explained in chapter 5 "Investment restrictions" in point 2 (I) (B).

#### 4. INVESTOR PROFILE

The GAM COMMODITY is suitable for investors who have experience with volatile investments, have sound knowledge of the capital markets and wish to participate in the performance of the capital markets so as to pursue their specific investment objectives. Investors must expect fluctuations in the value of the investments, which may temporarily even lead to substantial loss of value. The Subfund may be used as a supplementary investment within a widely diversified portfolio.

#### 5. INVESTMENT MANAGER

Following Investment managers have been appointed for the Subfund:

- GAM Investment Management (Switzerland) Ltd., Hardstrasse 201, PO Box, 8037 Zurich, Switzerland

- GAM International Management Limited, 8 Finsbury Circus, London EC2M 7GB, United Kingdom; and
- GAM Systematic LLP, City House, 126-130 Hills Road, Cambridge CB2 1RE, United Kingdom.

The respective Investment Manager is authorised, while taking into account the investment objectives, policies and limits of the Company, to make investments directly for the Subfund, under the ultimate supervision of the Management Company and/or Board of Directors or the auditor(s) appointed by the Management Company. With the approval of the Management Company, the respective Investment Manager can claim the support of Investment Advisers.

Shareholders can obtain detailed information on the Investment Manager at the registered office of the Management Company.

## 6. DESCRIPTION OF SHARES

After the initial issue date, the Company may issue Shares in the following categories:

- Distributing "A" SHARES;
- Accumulating "B" SHARES;
- Accumulating "C" SHARES (for "institutional investors", as defined below);
- Distributing "CA" SHARES (for "institutional investors", as defined below);
- Accumulating "E" SHARES (for certain distributors, as defined below).
- Capital growth "R" SHARES (for specific intermediaries, as defined below)
- Distributing "RA" SHARES (for specific intermediaries, as defined below)
- Capital growth "S" SHARES (for specific intermediaries, as defined below)
- Distributing "SA" SHARES (for specific intermediaries, as defined below).

Shares are issued only in registered form. In relation to the Subfund, provision is made for share classes to be offered both in the currency of account and in "Swiss francs" or "CHF" (referring to the currency of Switzerland), "Euros" or "EUR" (referring to the currency of the European Economic and Monetary Union), "£ sterling" or "GBP" (referring to the currency of the United Kingdom), "Japanese yen" or "JPY" (referring to the currency of Japan), "SEK" (referring to the currency of Sweden), "NOK" (referring to the currency of Norway), "DKK" (referring to the currency of Denmark) and "AUD" (referring to the currency of Australia).

**C** and **CA SHARES** may be purchased only by "institutional investors", within the meaning of Article 174 seqq. of the 2010 Law (as regards minimum subscriptions, see the sections "Issue and Redemption of Shares" and "Switching of Shares" below). For entities incorporated in the EU, the definition of "institutional investors" includes, among others, all eligible counterparties and all clients considered per se to be professionals pursuant to Directive 2014/65/EU on markets in financial instruments ("MIFID") who have not requested non-professional treatment.

**E SHARES** are issued exclusively to distributors domiciled in Spain and Italy and to other determined distributors in other distribution markets, provided the Board of directors of the Company has decided for the latter on a special authorisation for the distribution of **E SHARES**. All other distributors are not allowed to acquire **E SHARES**.

**R, RA, S** and **SA SHARES** are available for specified intermediaries only, who are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits (except for minor non-monetary benefits) paid or provided by any third party or a person acting on behalf of a third party, be this (i) due to legal requirements or (ii) due to the fact that they have concluded contractual agreement (e.g. individual discretionary portfolio management or advisory agreements with separate fee arrangements or other agreements) with their customers which exclude such payments (as regards minimum subscriptions, see the sections "Issue and Redemption of Shares" and "Switching of Shares" below).

## 7. DIVIDEND POLICY

The Company intends to apply the following dividend policy in respect of distributing Shares, in accordance with the laws of Luxembourg, the articles of association and this prospectus:

- Annual payment in full of the income earned in the Subfund (interest, dividends, other income).
- Retention of the capital and exchange rate gains earned in the Subfund.

The Company reserves the right to change the dividend policy at any time, particularly for tax reasons, in the interests of the shareholders.

## 8. FEES AND COSTS

### MANAGEMENT FEE

The Management Fee (“Management Fee”) serves as remuneration (a) for the Investment Managers and/or investment advisors and (b) for distributors, together in each case with associated support services. All or part of the Management Fee may be paid to distributors, placement agents and similar financial intermediaries as commission, retrocession or rebate.

The Management Fee may be charged by the Management Company at different rates for individual Subfunds and/or share categories within a given Subfund or may be waived in full. The annual maximum Management Fee is shown in the table below.

### SERVICING FEE

In addition, a servicing fee (“**Servicing Fee**”) will be debited by the Management Company to each Subfund and/or share category. The Servicing Fee constitutes remuneration for the following services rendered by the Management Company or its appointees and delegates:

- **CUSTODY AND ADMINISTRATION SERVICES:** business activities in accordance with custody and sub-custody services, registrar and transfer agency, central administration (fund administration, fund accounting), principal paying agency;
- **OPERATIONAL MANAGEMENT:** Remuneration of the Management Company for the operational management and supervision of the business activities of the Company; Risk Management; remuneration and expenses of the Board of Directors of the Company; expenses in relation to the convening of general meetings of shareholders; notary fees;
- **SALES AND MARKETING:** Sales and marketing expenses, further distribution support, licence fees;
- **REGULATORY:** Public charges: taxes (particularly the *taxe d’abonnement*); mandatory fund documents (prospectus, KIID, annual and semi-annual reports); auditing fees; costs associated with registration and reporting to supervisory authorities in different distribution countries; listing fees; publication costs for NAVs and corporate actions;
- **OTHER SERVICES:** Legal and tax services; paying agents and representatives; insurance premiums; and any other costs incurred by the Management Company on behalf of the Company.

The Servicing Fee may be charged by the Management Company at different rates for individual Subfunds and/or share categories within a given Subfund or may be waived in full. The annual maximum Servicing Fee is shown in the table below.

Both, Management Fee and the Servicing Fee, will be calculated on the basis of the net asset value of the respective Subfund and/or share category and debited to such Subfund and/or such share category on each Valuation Day (as defined in the section “Calculation of net asset value” in the General Part), and will be payable monthly in arrears.

The Management Fee and the Servicing Fee together constitute the Total Expense Ratio (TER) of the respective Subfund and/or share category.

As shown in the table below, the Management Fee and the Servicing are both capped. Any costs exceeding this cap are borne by the Management Company.

SUBFUND	MAXIMUM FEE P.A. IN % OF THE NET ASSET VALUE (NAV)			
	SHARE CATEGORY	MANAGEMENT FEE	SERVICING FEE	TOTAL EXPENSE RATIO (TER)
GAM COMMODITY	A/B	1.30%	0.70%	2.00%
	E*)	2.05%	0.70%	2.75%
	R/Ra**)	0.65%	0.55%	1.20%
	C/Ca**)	0.65%	0.55%	1.20%
	S/Sa**)	0.65%	0.55%	1.20%

\*) An additional distribution fee of up to a maximum of 0.75% p.a. is included in the Management Fee.

\*\*) In connection with the distribution, offering or holding of C and Ca shares, the Company will not pay any commission to the distributors for any additional distribution services. Furthermore, regarding the distribution, offering or holding of R, Ra, S and Sa Shares, the Company will not pay any fees, commissions or any monetary or non-monetary benefits (except for minor non-monetary benefits) for distribution and intermediary services.

In addition, the terms of the General Part of this prospectus (cf. chapter "Fees and Costs") shall also apply.

## 9. ISSUE AND REDEMPTION OF SHARES

### A) ISSUE

On expiry of the initial subscription period, the Shares in the Subfund are issued on each valuation day at a price ("Issue Price") based on the net asset value of the Shares on the applicable valuation day (cf. the section "Issue of Shares" in the General Part of this prospectus). The Issue Price is rounded to two decimal places and a selling fee of currently up to 5% payable to the distributor or to the Company is added. In the case of larger transactions, the selling fee may be reduced accordingly, but shareholders investing the same amounts during the same period must be treated equally.

### B) REDEMPTION

Shares will be redeemed on any valuation day on application with the Company or with the principal paying agent in Luxembourg as set out in the General Part of this prospectus (or any appointed local paying agent or distributor, as the case may be). The Shares are redeemed at a price ("Redemption Price") based on the net asset value of the Shares on the applicable valuation day. This Redemption Price is rounded to two decimal places. If no selling fee was charged, a redemption fee of up to 3% of the applicable net asset value may be charged by the distributor instead.

### C) MINIMUM SUBSCRIPTION AMOUNT

A minimum subscription as stated below is planned for initial subscription of certain share classes.

SHARE CATEGORY	MINIMUM SUBSCRIPTION PER SUBFUND IN EUR OR THE EQUIVALENT AMOUNT IN THE CURRENCY OF THE SHARE CATEGORY CONCERNED
C and Ca shares (shares for institutional investors)	500,000
S and Sa shares (shares for certain intermediaries)	10,000,000

The Board of Directors of the Company may at its own discretion accept initial subscription amounts for a lower amount than the minimum subscription amount. No minimum investment amounts are planned for subsequent subscriptions in the share categories listed above.

## **10. SWITCHING OF SHARES**

Shares in the Subfund may be switched for Shares in other Subfunds of the Company upon payment of a switching fee of up to a maximum of 1% of the net asset value of said Shares. Such switching may be effected through the principal paying agent in Luxembourg (or any appointed local paying agent or distributor, as the case may be). The switching procedure is subject to the provisions in the General Part of this prospectus (cf. section "Switching of Shares").

Shareholders in the subfund are entitled to convert some or all of their shares into shares of another subfund on a valuation day valid for both subfunds as well as convert between different share categories within a subfund. All eligibility requirements and minimum subscription amounts (minimum conversion value), as well as the other conditions applicable to the original or new share category, shall apply in relation to distributors and/or shareholders that convert. The Board of Directors may at its own discretion accept initial conversion requests for a lower amount than the respective minimum conversion value indicated.

## **11. APPLICATION PROCEDURE**

Shares may be issued, redeemed and switched at all times at the principal paying agent in Luxembourg named in the General Part of the Prospectus (or, as the case may be, at any of the appointed local distributors or paying agents in the individual distribution countries). The exact identity of the applicant and the name of the Subfund and the Share Category concerned must be stated.

All issues, redemptions and switches of Shares received by the principal paying agent no later than 15:00 local time (cut-off time) on one valuation day (as defined in the section "Calculation of net asset value") are covered by the Issue, Redemption or Switching Price determined on the following valuation day. Applications received after this time are covered by the Issue, Redemption or Switching Price of the day after the following valuation day.

In the case of issues, the total amount of the subscription must be credited to the relevant account described in the General Part of this prospectus within four (4) Luxembourg banking days from the applicable valuation day.

No Share coupons or certificates will be delivered, but will be held on behalf of the shareholder by the paying agent or a bank designated by the paying agent instead. The Company reserves the right to reject applications, to accept them only in part or to require further information and/or documents. If an application is rejected in full or in part, the subscription amount or the corresponding balance is returned to the applicant.



# MULTICOOPERATION SICAV

## GAM MULTI ASSET STRATEGIC ALLOCATION

A Subfund of the SICAV under Luxembourg law MULTICOOPERATION SICAV,  
launched by GAM (Luxembourg) S.A., on behalf of GAM (Italia) S.G.R. S.p.A

### **SPECIAL PART I: 10 MARCH 2020**

This part of the prospectus supplements the General Part with regard to the GAM MULTI ASSET STRATEGIC ALLOCATION (hereinafter referred to as the "**GAM MULTI ASSET STRATEGIC ALLOCATION**" or "Subfund").

The provisions below must be read in conjunction with the corresponding provisions in the General Part of the prospectus.

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## 1. ISSUE OF SHARES

The Shares of the Subfund were offered for the first time as follows. The initial Issue Price is quoted per Share.

SUBFUND	SUBSCRIPTION PERIOD	ISSUE PRICE
GAM MULTI ASSET STRATEGIC ALLOCATION	20.06. – 26.06.2014	The initial Issue Price was equal to the net asset value on 26.06.2014 of the UCITS under Italian law "SWISS & GLOBAL CHALLENGER" and was published in the newspaper „Il Sole 24 Ore“.

## 2. INVESTMENT OBJECTIVES AND POLICY

The investment objective of the Company in relation to Julius Baer Multibond – GAM MULTI ASSET STRATEGIC ALLOCATION is to achieve long-term positive returns through the application of a number of investment strategies in the entire share classes allowed under the law of 2010.

For this purpose GAM MULTI ASSET STRATEGIC ALLOCATION makes investments which have a potential for attractive short-term returns according to the assessment of the Investment Manager.

The Company invests the assets of the Subfund worldwide into the following types of assets:

- (i) Shares and other equity securities or equity rights of companies from recognised countries;
- (ii) fixed-interest or floating rate securities, debt securities and claims, as well as other fixed-interest investments (including convertible and warrant bonds, money market instruments), asset backed securities (ABS) and mortgage backed securities (MBS) (ABS and MBS together max. 20% of the assets of the subfund) in all freely convertible currencies, issued or guaranteed by issuers from recognised countries;
- (iii) Sight deposits and deposits repayable on demand;
- (iv) Units of other UCITS and/or other UCI as well as Exchange Traded Products ("ETP"), i.e. Exchange-Traded Funds (ETF), Exchange Traded Notes (ETN) and Exchange Traded Commodities (ETC) (ETN and ETC up to a maximum of 20% of the assets of the Subfund). ETN and ETC are eligible assets according to Article 41 paragraph (1) of the 2010, in which no derivatives are embedded and where physical delivery of the underlying asset is excluded.
- (v) equities and equity securities of real-estate companies and listed closed-ended real-estate funds and listed real-estate investment trusts (REITs) which meet the requirements of article 41 (1) of the law of 2010;
- (vi) Warrants on shares and other equity securities (up to a maximum of 15% of the assets of the Subfund). Purchases of warrants involve increased risks due to the higher volatility of such investments;
- (vii) Derivative instruments, certificates, structured products having as underlying instruments assets according to (i), (ii) and hedge fund strategies, as well as derivatives, certificates, structured products on diversified indices on finance, commodities, real estate, hedge funds and volatility as well as the corresponding sub-indices, which meet the requirements of Articles 8 and 9 of the Grand Ducal Ordinance of 8 February 2008 or, as applicable, Article 2 of Directive 2007/16/EC;
- (viii) Derivative instruments, certificates and structured products on indices, credit and currencies, as well as interests.

In deviation of the provisions of the General Part the fund may invest more than 10% but no more than a total of 49% of its assets in target funds;

When implementing the investment policy using derivative financial instruments, the only commodity benchmark indices used are those which comply with the rules contained in the General Part of the prospectus in chapter 6.10 "Investments in financial indices in accordance with Article 9 of the Grand Ducal Regulation of 8 February 2008".

The performance of the benchmark commodity indices and/or commodity sub-indices underlying the financial derivative instruments is replicated by concluding one or more swap agreements, where, in the event of a positive trend, the counterparty pays the subfund an amount depending on the level of the nominal value and performance; conversely, in the event of a negative trend, the subfund pays the counterparty a contractually agreed amount of compensation. The counterparties are exclusively first-class financial institutions specialising in these transactions. Where the subfund invests in certificates, these can be based on individual commodity stocks where permissible. Physical delivery is excluded in all cases.

The volatility of a transferable security (or basket of securities) is a statistical measure of the speed and extent of the variation in price of a transferable security (or several transferable securities) over a fixed period of time. The volatility exposure which the subfund acquires through futures, options as well as ETPs based on volatility indices shall allow the subfund to profit from the development and/or volatility of the markets.

The obligations contracted through the use of derivative financial instruments are covered at all times by liquid assets such as fixed- or floating-rate securities, debt securities and claims (including zero-coupon bonds) of good credit rating as well as money market papers. In addition to securities and the other assets the subfund may hold liquid assets (up to a maximum of 49% of the assets).

The Company may make investments other than the transferable securities and money market instruments mentioned in article 41 (1) of the 2010 law if due regard is paid to the limitations laid out in the General Part of the prospectus in the chapter „Investment limits“ in general and article 1(f) in particular. **Such securities involve a higher degree of risk. Additionally, a higher-than-average volatility must be expected and consequently even the complete loss of some investments cannot be ruled out.**

The selection and the weighting of the individual titles and kinds of investments and currencies as well as the orientation of the current investment strategy will be made in an opportunistic manner, i.e. according to the current market assessment, the investment focus may vary significantly. Short term price variations can therefore not be ruled out.

The subfund GAM MULTI ASSET STRATEGIC ALLOCATION is denominated in Euro. The investments shall be made in the reference currency of the Subfund or in other currencies. Foreign currency risks may be fully or partially hedged against the Euro. A depreciation caused by exchange rate fluctuations cannot be ruled out.

#### **SUSTAINABILITY RISKS**

The investments of the Subfund are subject to sustainability risk, as outlined and defined under the Sustainable Finance Disclosure Regulation section (Chapter 7) of the Prospectus. The Subfund invests in a range of different securities and asset classes. This diversification curtails the sustainability risk of the Subfund.

The Subfund has been determined to have a sustainability risk rating of low.

The sustainability risk may vary to a limited extent where the composition of the portfolio is changed.

The sustainability risk of financial derivative instruments will be assessed based upon analysis of the assets underlying the derivative. The assessment of sustainability risk is integrated into the investment process of the Subfund and shall be conducted periodically on an individual basis for all investments held in the portfolio.

When conducting a sustainability risk assessment, the Investment Manager may utilise whatever public information they consider relevant, including but not limited to documentation released by investee entities or external data vendors, and credit ratings (where appropriate).

#### **EXCLUSION POLICY**

The Investment Manager's exclusion criteria are detailed in the Investment Manager's proprietary exclusion policy, published and available on <https://www.gam.com/corporate-responsibility/responsible-investing>. The exclusion policy is actively monitored to ensure it remains current and that the ESG preferences of investors are effectively integrated.

### 3. LEVERAGE

The market risk that may be entered into on behalf of the Subfund through the use of derivative financial instruments, as provided for in CSSF Circular 11/512, is monitored and limited using the relative value-at-risk method ("VaR method") (see chapter 5 of the General Part of the prospectus "Investment limits", point 2 (a)).

In the case of calculations based on the VaR method, CSSF Circular 11/512 also requires that the leverage resulting from the use of derivatives be indicated. The CSSF stipulates that the sum of notional approach method be used to calculate the leverage, but permits this information to be supplemented by leverage values calculated using the commitment approach.

In the case of the sum of notional approach, the leverage is a measure of the total use of derivatives and is calculated as the sum of absolute nominal values of the derivative instruments in the subfund. In the case of the commitment approach as presented in ESMA Guidelines 10-788, explicit account is taken both of the sensitivities in relation to market risk factors as well as netting/hedge ratios between financial derivatives and securities as well as between financial derivatives themselves.

In normal market conditions, the leverage calculated using the sum of notional approach with respect to the fund volume should exhibit the following value for the subfund. This leverage may change over time, and the actual values may exceed or fall below the expected figures indicated below by a significant amount. The actual value of the leverage in the past reporting period is indicated in the annual report of the subfund. The expected leverage values are indicators and do not constitute limits laid down by the supervisory authority.

MULTICOOPERATION SICAV	EXPECTED VALUE
GAM MULTI ASSET STRATEGIC ALLOCATION	120%

The leverage refers to the ratio between (i) the sum of notional values of derivative financial instruments and (ii) the Subfund's assets.

The following information should also be noted: in normal market conditions, the leverage calculated using the commitment approach with respect to the fund volume should exhibit the following value for the subfund. The degree of leverage may change over time, and the actual values may be higher or lower than the expected values indicated below. The actual leverage in the previous reporting period is indicated in the annual report of the subfund. The expected leverage values are indicators and do not constitute limits laid down by the supervisory authority.

MULTICOOPERATION SICAV	EXPECTED VALUE
GAM MULTI ASSET STRATEGIC ALLOCATION	50%

The leverage refers to the ratio between (i) the market exposure – generated by the use of derivative financial instruments as calculated with the Commitment Approach – that exceeds the assets of the subfund and (ii) the Subfund's assets.

Furthermore, the Subfund may not borrow for investment purposes – an exception to this rule is temporary borrowing of up to 10% of the subfund's net asset value, as explained in chapter 5 "Investment limits" of the General Part of the prospectus under point 2. (I) (B).

### 4. INVESTOR PROFILE

The Subfund is suitable for capital accumulation, both for investors who do not have an in-depth knowledge of the capital markets and for experienced investors, who wish to pursue their specific investment objectives. Investors aim for positive returns, however they must anticipate fluctuations in the value of the investments, which may lead to temporary value losses. The Subfund may be used as a basic investment within a portfolio.

### 5. INVESTMENT MANAGER

GAM (Italia) S.G.R. S.p.A, Via Duccio di Boninsegna 10, I-20145 Milan

The Investment Manager is authorised to make investments directly for subfund, taking into account the investment objectives, policy and limits of the Company and the Subfund, respectively, and under the ultimate supervision of the Management Company or the Board of Directors or the auditor(s) appointed by the Management Company. The Investment Manager may, with the consent of the Management Company, avail itself of the assistance of investment advisors.

The Investment Manager was established in 2003 as a limited company under Italian law. The Investment Manager has been licensed as a Società di Gestione del Risparmio (SGR) by the Banca d'Italia since 2004 and is registered under the number 176 in the SGR register of the Banca d'Italia. Its activities include asset management for Italian and foreign UCITS and UCI. The Investment Manager is a group company of GAM Holding Ltd.

## 6. DESCRIPTION OF SHARES

After the initial issue date, the Company may issue Shares in the following categories:

- Annually Distributing SHARES "A"
- Accumulating SHARES "B"
- Accumulating SHARES "C" (for institutional investors, as defined hereinafter)
- Annually Distributing SHARES "CA" (for institutional investors, as defined hereinafter)
- Accumulating SHARES "E" (for certain distributors, as defined hereinafter)
- Quarterly Distributing SHARES "ET" (for certain distributors, as defined hereinafter)
- Annually Distributing SHARES "FA" (distributing shares for institutional investors, as defined hereinafter)
- Accumulating SHARES "G" (for the GAM Group, as defined hereinafter)
- Accumulating SHARES "R" (for certain intermediaries, as defined hereinafter)
- Annually Distributing SHARES "RA" (for certain intermediaries, as defined hereinafter)
- Accumulating SHARES "S" (for certain intermediaries, as defined hereinafter)
- Annually Distributing SHARES "SA" (for certain intermediaries, as defined hereinafter)

Shares are issued only in registered form.

In relation to the subfund, shares will be issued in the respective fund currency as well as – if different - in USD, CHF and GBP. A list of available share categories can be obtained from the administrative and information agent or the distributor respectively.

**C and CA SHARES** may be purchased only by "institutional investors" according to Article 174ff of the 2010 Law (regarding minimum subscriptions, see the section "Issue of Shares " and "Switching of shares"). For entities incorporated in the EU, the definition of "institutional investors" includes inter alia all eligible counterparties and all clients considered per se to be professionals pursuant to Directive 2014/65/EU on markets in financial instruments ("MIFID- Directive") who have not requested non-professional treatment.

**E SHARES** are issued exclusively to Distributors domiciled in Spain and Italy as well as to certain Distributors in other distribution markets, provided the Board of Directors of the Company has resolved to give the latter special authorisation for the distribution of the **E SHARES**. All other Distributors are not permitted to acquire **E SHARES**.

**ET SHARES** are issued exclusively to Distributors domiciled in Italy, as well as to certain Distributors in other distribution markets, provided the Board of Directors of the Company has resolved to give the latter special authorisation for the distribution of the "Et" Shares (see Minimum subscription amount in Chapter "Issue of Shares / Application Procedure" and "Fees and costs"). All other Distributors are not permitted to acquire **ET SHARES**.

**FA SHARES** may be purchased exclusively by "institutional investors" according to Article 174ff of the 2010 Law domiciled in Italy as well as to certain "institutional investors" in other distribution markets, provided the Board of Directors of the Company has resolved to give the latter special authorisation (regarding minimum subscription amount, see the section "Issue of shares" and "Switching of shares". For entities incorporated in the EU, the

definition of "institutional investors" includes inter alia all eligible counterparties and all clients considered per se to be professionals pursuant to Directive 2014/65/EU on markets in financial instruments ("MIFID- Directive") who have not requested non-professional treatment.

**G SHARES** may be purchased exclusively by companies of the GAM Group or to UCI(T)s managed or launched by the GAM Group and meeting the requirement of "institutional investors" according to Article 174ff of the 2010 Law. All other investors are not permitted to acquire **G SHARES**. For entities incorporated in the EU, the definition of "institutional investors" includes inter alia all eligible counterparties and all clients considered per se to be professionals pursuant to Directive 2014/65/EU on markets in financial instruments ("MIFID- Directive") who have not requested non-professional treatment.

**R, RA, S** and **SA SHARES** are available for specified intermediaries only, who are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits (except for minor non-monetary benefits) paid or provided by any third party or a person acting on behalf of a third party, be this (i) due to legal requirements or (ii) due to the fact that they have concluded contractual agreement (e.g. individual discretionary portfolio management or advisory agreements with separate fee arrangements or other agreements) with their customers which exclude such payments (regarding minimum subscriptions, see the section "Issue of Shares " and "Switching of shares").

## 7. DIVIDEND POLICY

The Company intends to apply the following dividend policy with respect to the different available share categories, in accordance with the laws of Luxembourg, the articles of association and this prospectus:

In accumulating Shares, no dividend payments are made, but the values allocated to the accumulating shares are reinvested for the benefit of the shareholders.

The annual dividend payment for the distribution shares "A", "CA", "Et", "FA", "RA" and "SA" are made, in principle, within one month after determination of the dividend in the currency of the respective share category.

For the distributing "Et" share class, a periodic payment of interim dividends in the currency of the share category is provided, the payment of which is made, in general, on a quarterly basis, in the currency of the respective share category.

For the share categories "FA" and "Et", dividends may occasionally be paid out of capital, when the income / capital gains realized by the subfund are not sufficient. This may, under certain circumstances and to a reasonable extent, implicate the payment of an unchanged dividend per share. The subfund is managed in the interest of all shareholders in accordance with the specified investment objectives and does not aim for the payment of an unchanged dividend per share. Shareholders should note in this regard that dividends, when paid out of capital, represent a return or withdrawal of a portion of the amount originally invested, or are generated out of the capital gains deriving from the initial investment. Such distributions may lead to an immediate decrease in the net asset value per share of the subfund.

The amount of payment of dividends is not fixed and varies according to economic and other circumstances. The Company reserves the right to change the dividend policy at any time, particularly for tax reasons, in the interests of the shareholders. Further information can be found in the General Part of the Prospectus (under the chapter "Dividends")

## 8. FEES AND COSTS

### MANAGEMENT FEE

The Management Fee ("Management Fee") serves as remuneration (a) for the Investment Managers and/or investment advisors and (b) for distributors, together in each case with associated support services. All or part of the Management Fee may be paid to distributors, placement agents and similar financial intermediaries as commission, retrocession or rebate.

The Management Fee may be charged by the Management Company at different rates for individual Subfunds and/or share categories within a given Subfund or may be waived in full. The annual maximum Management Fee is shown in the table below.

#### SERVICING FEE

In addition, a servicing fee ("**Servicing Fee**") will be debited by the Management Company to each Subfund and/or share category. The Servicing Fee constitutes remuneration for the following services rendered by the Management Company or its appointees and delegates:

- **CUSTODY AND ADMINISTRATION SERVICES:** business activities in accordance with custody and sub-custody services, registrar and transfer agency, central administration (fund administration, fund accounting), principal paying agency;
- **OPERATIONAL MANAGEMENT:** Remuneration of the Management Company for the operational management and supervision of the business activities of the Company; Risk Management; remuneration and expenses of the Board of Directors of the Company; expenses in relation to the convening of general meetings of shareholders; notary fees;
- **SALES AND MARKETING:** Sales and marketing expenses, further distribution support, licence fees;
- **REGULATORY:** Public charges: taxes (particularly the *taxe d'abonnement*); mandatory fund documents (prospectus, KIID, annual and semi-annual reports); auditing fees; costs associated with registration and reporting to supervisory authorities in different distribution countries; listing fees; publication costs for NAVs and corporate actions;
- **OTHER SERVICES:** Legal and tax services; paying agents and representatives; insurance premiums; and any other costs incurred by the Management Company on behalf of the Company.

The Servicing Fee may be charged by the Management Company at different rates for individual Subfunds and/or share categories within a given Subfund or may be waived in full. The annual maximum Servicing Fee is shown in the table below.

Both, Management Fee and the Servicing Fee, will be calculated on the basis of the net asset value of the respective Subfund and/or share category and debited to such Subfund and/or such share category on each Valuation Day (as defined in the section "Calculation of net asset value" in the General Part), and will be payable monthly in arrears.

The Management Fee and the Servicing Fee together constitute the Total Expense Ratio (TER) of the respective Subfund and/or share category.

As shown in the table below, the Management Fee and the Servicing are both capped. Any costs exceeding this cap are borne by the Management Company.

SUBFUNDS	MAXIMUM FEE P.A. IN % OF THE NET ASSET VALUE (NAV)			
	SHARE CATEGORY	MANAGEMENT FEE	SERVICING FEE	TOTAL EXPENSE RATIO (TER)
GAM MULTI ASSET STRATEGIC ALLOCATION	A/B	1.20%	0.35%	1.55%
	E*)	1.95%	0.35%	2.30%
	Et*	1.95%	0.35%	2.30%
	G**)	0%	0.10%	0.10%
	R/Ra**)	0.65%	0.35%	1.00%
	S/Sa**)	0.55%	0.30%	0.85%
	C/Ca**)	0.55%	0.30%	0.85%
	Fa**)	0.20%	0.18%	0.38%

\*) An additional distribution fee of up to a maximum of 0.75% p.a. is included in the Management Fee.



\*\*) In connection with the distribution, offering or holding of C, CA, FA and G SHARES, the Company will not pay any distribution service commission to the distributors. Furthermore, regarding the distribution, offering or holding of R, RA, S and SA SHARES, the Company will not be pay any fees, commissions or any monetary or non-monetary benefits (except for minor non-monetary benefits) for distribution or intermediary services.

In addition, the terms of the General Part of this prospectus (cf. chapter "Fees and Costs") shall also apply.

#### PERFORMANCE FEE FOR THE "FA" SHARE CATEGORY

In addition to the above, the Investment Manager is entitled to a performance-linked remuneration ("Performance Fee") subject to the conditions set out below:

The amount of the Performance Fee is calculated on each valuation day in accordance with the below described rates and conditions and it is deferred at the expense of the net asset value per share of the Subfund. After the end of the accounting year concerned, the Investment Manager will be paid any Performance Fee then owed.

The Investment Manager is entitled to a Performance Fee for the "FA" share category of the GAM MULTI ASSET STRATEGIC ALLOCATION subfund, provided the percentage return since the beginning of the accounting year is above that of the reference index of the "FA" share category (outperformance of the reference index) and simultaneously the Net Asset Value per Share is higher than the High Water Mark (outperformance of the High Water Mark). Both conditions must be fulfilled.

The Performance Fee amounts to 15% p.a. of the outperformance of the reference index since the beginning of the accounting year or since the last accrual during the accounting year, as a result of high net inflows (as described below).

The accrued Performance Fee is capped at 0.40% of the net assets of the "FA" share category on each valuation day.

HIGH WATER MARK: At the launch of the subfund or, if applicable, of a share category labelled in a currency different than the accounting currency, the High Water Mark is identical to the initial issue price. If the net asset value per share on the last valuation day of a subsequent accounting year is higher than the previous High Water Mark and the percentage return of the accounting year exceeds the one of the reference index, the High Water Mark is set to the net asset value per share calculated on the last valuation day of that accounting year after deduction of the accrued Performance Fee.

For shares redeemed during the accounting year, a cumulative Performance Fee is accrued and deferred. At the end of the accounting year, this is paid out to the Investment Manager (crystallization).

In the event of very high net inflows in relation to the fund's assets (defined as net inflows greater than or equal to the number of outstanding shares prior to subscription), the Performance Fee is deferred, provided a Performance Fee has been accumulated at that point in time. Hereby, the full Performance Fee cumulated before the net inflow is accrued and paid out at the end of the accounting year.

In the case of very high net inflows, the High Water Mark will be set to zero after crystallization.

SUBFUND	SHARE CATEGORY / ACCOUNT CURRENCY	REFERENCE INDEX FOR THE CALCULATION OF THE PERFORMANCE FEE*)
GAM MULTI ASSET STRATEGIC ALLOCATION	Fa - EUR	ICE BofAML Italy Treasury Bill + 200bps

\*) The Reference index is a benchmark pursuant to the Regulation (EU) 2016/1011 (EU Benchmark Regulation). The benchmark is provided by an administrator who is located in the EU and is entered in the Register under article 36 of the EU Benchmark Regulation. The Company assumes that the registration of the benchmark and of the administrator who provides the benchmark in the ESMA-Register referred to in art. 36 of the EU Benchmark Regulation will take place in the course of 2018 (however, not later than January 1st 2020). The Company implemented a solid written plan setting out the

measures it would take in case a benchmark materially changes or ceases to be provided. The pertinent policies of the GAM Group are available on [www.funds.gam.com](http://www.funds.gam.com).

## 9. ISSUE OF SHARES

### A) GENERAL INFORMATION

On expiry of the initial subscription period, the Shares in the subfund are issued on each valuation day at a price ("Issue Price") based on the net asset value of the Shares on the applicable valuation day (cf. the section "Issue of Shares" in the General Part of this prospectus).

### B) ISSUE PRICE / SELLING FEE

The Issue Price is rounded to three digits after the comma and a selling fee of currently up to 5% is added. In the case of larger transactions, the selling fee may be reduced accordingly. However shareholders investing the same amounts during the same period must be treated equally. In addition, the distributor is authorized to offer shares without selling fee („no load") and to instead charge a redemption fee of up to 3% of the respective net asset value.

### C) MINIMUM SUBSCRIPTION AMOUNT

A minimum subscription as stated below is planned for initial subscription of certain share classes.

SHARE CATEGORY	MINIMUM SUBSCRIPTION PER SUBFUND IN EUR OR THE EQUIVALENT AMOUNT IN THE CURRENCY OF THE SHARE CATEGORY CONCERNED
C and CA SHARES (shares for institutional investors)	100.000,-
ET SHARES ("shares for certain distributors")	5.000,-
G SHARES ("shares for the GAM Group")	500.000,-
S and SA SHARES (shares for certain intermediaries)	10.000.000,-
FA SHARES (shares for institutional investors)	35.000.000,-

The Board of Directors of the Company may at its own discretion accept initial subscription amounts for a lower amount than the minimum subscription amount. No minimum investment amounts are planned for subsequent subscriptions in the share categories listed above.

### D) APPLICATION PROCEDURE

Investors may subscribe for the Subfund's shares at all times at the principal paying agent in Luxembourg named in the General Part of the Prospectus (or, as the case may be, at any of the appointed local distributors or paying agents in the individual distribution countries). The exact identity of the applicant and the name of the Subfund and the Share Category concerned must be stated.

All issues of Shares received by the principal paying agent no later than 15:00 local time (cut-off time) on one valuation day (as defined in the section "Calculation of net asset value") are covered by the Issue Price determined on the following valuation day. Applications received after this time are covered by the Issue Price of the day after the following valuation day.

In the case of issues, the total amount of the subscription must be credited to the relevant account described in the General Part of this prospectus within four (4) Luxembourg banking days from the applicable valuation day.

No Share coupons or certificates will be delivered, but will instead be held on behalf of the shareholder by the paying agent or a bank designated by the paying agent. The Company reserves the right to reject applications, to accept them only in part or to require further information and/or documents. If an application is rejected in full or in part, the subscription amount or the corresponding balance is returned to the applicant.

## 10. REDEMPTION OF SHARES

### A) GENERAL INFORMATION

Shares shall be redeemed on any valuation date by application to the principal paying agent in Luxembourg named in the General Part of the prospectus (or where applicable to local distributors or paying agents appointed in individual distribution countries).

### B) REDEMPTION PRICE

The redemption price is based on the net asset value of the Shares on the valuation day applicable in each case and is rounded to three digits after the comma.

### C) REDEMPTION FEE

If no selling fee was charged when the Shares were issued, a redemption fee of up to a maximum of 3% of the net asset value may be charged instead.

### D) APPLICATION PROCEDURE

Shares may be redeemed on each valuation day by sending an application to the principal paying agent in Luxembourg named in the General Part of the Prospectus (or, as the case may be, at any of the appointed local distributors or paying agents in the individual distribution countries).

The exact identity of the applicant and the name of the Subfund and the Share Category concerned must be stated.

All redemptions of Shares received by the principal paying agent no later than 15:00 local time (cut-off time) on one valuation day (as defined in the section "Calculation of net asset value") are covered by the Redemption Price determined on the following valuation day. Applications received after this time are covered by the Redemption Price of the day after the following valuation day.

## 11. SWITCHING OF SHARES

Shares of the subfund may be switched for Shares of other active subfunds of the Company upon payment of a switching fee of up to 2% maximum of the net asset value of the aforesaid Shares. Such switching may be effected through the principal paying agent in Luxembourg (or any appointed local paying agent or distributor, as the case may be). The switching procedure is subject to the provisions in the General Part of this prospectus (cf. section "Switching of Shares").

Shareholders in the subfund are entitled to convert some or all of their shares into shares of another subfund on a valuation day valid for both subfunds as well as convert between different share categories within a subfund. All eligibility requirements and minimum subscription amounts (minimum conversion value), as well as the other conditions applicable to the original or new share category, shall apply in relation to distributors and/or shareholders that convert. The Board of Directors may at its own discretion accept initial conversion requests for a lower amount than the respective minimum conversion value indicated.