J. Safra Sarasin

# JSS Investmentfonds II SICAV

**Prospectus**
**A Luxembourg umbrella fund**

**1 September 2025**

Subscriptions are only valid if made on the basis of this prospectus, the key information documents for packaged retail and insurance based investment products (the “PRIIPS KIDs” or commonly known as “KIDs”), the latest annual report and the semi-annual report, if published thereafter. These reports are an integral part of this prospectus and with it form the basis for all subscriptions of the fund’s shares. The above-mentioned documents are available free of charge from all sales offices. The KIDs are also available at www.jsafrasarasin.ch/funds.

Only the information contained in the prospectus and in the documents referred to therein is valid and binding. Statements made in this prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes. This prospectus may be translated into other languages. In the event of inconsistencies between the English prospectus and a version in another language, the English prospectus shall prevail insofar as the laws in the legal system under which the Shares are sold do not provide for the contrary.

The relevant conditions in each country apply to the issue and redemption of shares of JSS Investmentfonds II.

# Contents

# A General Part

## 1. Introduction

JSS Investmentfonds II (the "Company" or the "Fund") is organised as an open-ended investment company *(société d'investissement à capital variable* - SICAV) under the law of 10 August 1915 of the Grand Duchy of Luxembourg, as amended (the "1915 Law") and is subject to part I of the law of 17 December 2010, as amended (the "2010 Law") as an undertaking for collective investment in transferable securities (UCITS). The Company has appointed J. Safra Sarasin Fund Management (Luxembourg) S.A., which is licensed to act as a management company pursuant to chapter 15 of the 2010 Law, as its management company.

The Company may issue investment shares of no par value (the "Shares") of different portfolios of assets (the "Sub-Funds"). The Company may at any time issue Shares of additional Sub-Funds. In such case, the prospectus will be supplemented accordingly.

Shares of the Sub-Funds are available in registered form and may be issued, redeemed or converted into Shares of another Sub-Fund of the Company on any valuation day. Bearer shares are not issued.

Shares are offered at a price expressed in the accounting currency of the relevant Sub-Fund. If subscription monies are transferred in currencies other than the respective accounting currency, the investor bears both the corresponding costs and the exchange rate risk linked to the currency conversion carried out by the paying agent or depositary. An issue commission may be charged. Shares of the following Sub-Funds are currently issued:

The consolidated accounting currency of the Company is the euro. The calculation of the net asset value of all Sub-Funds is described in the annexes to this prospectus.

The "Accounting Currency" is the currency in which the accounts of the Sub-Fund are kept. It does not have to be the same as the "Reference Currency" of a Sub-Fund. The Reference Currency is the basic currency in which investment performance is measured. It generally appears in brackets after the name of the Sub-Fund. Reference currencies are usually applied to strategy funds (portfolio funds), but not equity funds. The term "Investment Currencies" designates the currencies in which the investments of a Sub-Fund are made. Investment Currencies do not have to be the same as the Accounting Currency or Reference Currency. Generally, however, a substantial proportion of investments is made in the Reference Currency or is hedged against it. In this context, "Valuation Day" is defined as normal bank business days (i.e. each day on which banks are open during normal business hours) in Luxembourg and any other location if and as specified in the annexes to the prospectus for the individual Sub-Funds with the exception of individual, non-statutory holidays in Luxembourg and any other location if and as specified in the annexes to the prospectus for the individual Sub-Funds, as well as days on which the exchanges of the Sub-Fund's main countries of investment are closed or on which 50% or more of the Sub-Fund's investments cannot be adequately valued. "Non-statutory holidays" are days on which banks and financial institutions are closed.

The Company may, pursuant to the 2010 Law, issue one or more special prospectuses for the sale of Shares of one or more Sub-Funds.

The Shares are offered on the basis of the information contained in this prospectus, in the KIDs and the latest audited and published annual report and semi-annual report, if published later than the annual report. Information provided by any other person is inadmissible.

Prospective purchasers of Shares should inform themselves of the legal requirements and any applicable foreign exchange regulations and taxes in the countries of their respective citizenship or residence, and should consult a person who can provide detailed information about the Fund in relation to any questions they may have about the contents of the prospectus.

The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). They may not be offered or sold in the USA, its territories and all areas subject to its US jurisdiction, nor to US persons or persons who would purchase the Shares for the account or benefit of US persons. Any resale or re-offer of Shares in the USA or to US persons may constitute a violation of the laws of the United States of America. Shares of the Company cannot be subscribed by US persons.

The Company may at any time proceed with the compulsory redemption of the Shares of an investor if these Shares are held by / for the account of / or in the name of:

- US persons,
- a person who does not provide the Company with the requested information and documentation that is necessary for the latter to meet its legal or supervisory requirements pursuant to (but not limited to) the FATCA regulations, or
- a person who is deemed by the Company to constitute a potential financial risk to the Company.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general meetings if the investor is registered himself and in his own name in the register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor (i) to exercise certain shareholder rights directly against the Company or (ii) to be indemnified in case of net asset value calculation errors and/or non-compliance with investment rules and/or other errors at the level of the Company (including any respective Sub-Fund). Investors are advised to take advice on their rights.

References in this prospectus to "Swiss francs" or "CHF" relate to the currency of Switzerland; "US dollars" or "USD" relate to the currency of the United States of America; "euro" or "EUR" relate to the currency of the European Economic & Monetary Union; "pounds sterling" or "GBP" relate to the currency of the United Kingdom; "Singapore dollars" or "SGD" relate to the

currency of Singapore; "Hong Kong dollars" or "HKD" relate to the currency of Hong Kong.
Before investing in the Sub-Funds of the Company investors are advised to read and take into consideration section 3.2 "Risk Profile and Risks".

## 2. Organisation and Management

### 2.1 Registered Office of the Company

The Company has its registered office at 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg.

### 2.2 Board of Directors

The board of directors of the Company (the "Board of Directors") is composed as follows:

- Urs Oberer (chairman), Basel, Switzerland, Managing Director, Bank J. Safra Sarasin AG
- Jules Moor, Luxembourg, Grand Duchy of Luxembourg, Managing Director (CEO Luxembourg), Banque J. Safra Sarasin (Luxembourg) S.A.
- Ronnie Neefs, Luxembourg, Grand Duchy of Luxembourg, Executive Director, J. Safra Sarasin Fund Management (Luxembourg) S.A.
- Claude Niedner, Luxembourg, Grand Duchy of Luxembourg, Partner at Arendt & Medernach S.A.

### 2.3 Management Company

On 20 May 2015, the Company appointed J. Safra Sarasin Fund Management (Luxembourg) S.A. (the "Management Company") as its management company under a management company service agreement entered into by the Company and the Management Company (the "Management Company Services Agreement").
The Management Company has its registered office at 19 Boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies Register under number B 160.811. The Management Company was formed on 2 May 2011 as a société anonyme (public limited company) in accordance with the laws of the Grand Duchy of Luxembourg. The articles of incorporation of the Management Company were published for the first time on 19 May 2011 in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") and amended for the last time on 26 May 2014. The amendment was published in the Mémorial on 14 August 2014.
The Management Company is licensed to operate pursuant to chapter 15 of the 2010 Law. The issued and fully paid-up equity capital of the Management Company amounted to one million five hundred thousand euro (EUR 1,500,000).
The Management Company Services Agreement has been concluded for an indeterminate period. It may be terminated subject to six months' prior notice. If the agreement is terminated without being replaced by a new agreement with another Sarasin Group management company, the Company shall be obliged, if requested, to change its corporate name and those of the Sub-Funds in such a way that these names no longer contain the word "Sarasin" and/or the letters "JSS" or "Sar".

The members of the Board of Directors of the Management Company are as follows:

- Jules Moor (chairman), Luxembourg, Grand Duchy of Luxembourg, Managing Director, Banque J. Safra Sarasin (Luxembourg) S.A.
- Michaela Imwinkelried, Basel, Switzerland, Managing Director, J. Safra Sarasin Investmentfonds AG
- Oliver Cartade, London, United Kingdom, Head of Asset Management, Bank J. Safra Sarasin AG, Basel
- Leonardo Mattos, Luxembourg, Grand Duchy of Luxembourg, Managing Director, J. Safra Sarasin Fund Management (Luxembourg) S.A.
- Jan Stig Rasmussen, Luxembourg, Grand Duchy of Luxembourg, independent director

The executive directors of the Management Company are as follows:

- Leonardo Mattos, Luxembourg, Grand Duchy of Luxembourg
- Valter Rinaldi, Basel, Switzerland
- Ronnie Neefs, Luxembourg, Grand Duchy of Luxembourg
- Robert Hamidou, Luxembourg, Grand Duchy of Luxembourg
- David Lepage, Luxembourg, Grand Duchy of Luxembourg

The Management Company has in place a remuneration policy in line with the Directive 2009/65/EC.
The remuneration policy sets out principles applicable to the remuneration of senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.
In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

i. it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles of the Sub-Funds;
ii. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Sub-Funds in order to ensure that the assessment process is based on the longer-term performance of the Sub-Funds and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
iii. it is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of the shareholders, and includes measures to avoid conflicts of interest;
iv. 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.

The remuneration policy is determined and reviewed at least on an annual basis by the Board of Directors of the Management Company.
The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits are available on http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu. A paper copy will be made available free of charge upon request at the Management Company domicile.
The Management Company has adopted written plans setting out actions, which it will take with respect to the relevant Sub-Fund in the event that any of the benchmarks listed in the table in the Schedule I materially changes or ceases to be provided (the "Contingency Plans"), as required by article 28(2) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the "Benchmarks Regulation"). Shareholders may access the Contingency Plans free of charge upon request at the registered office of the Management Company.
The benchmarks listed in the table in the Schedule I are being provided by the entity specified next to the name of the relevant benchmark in the table, in its capacity as administrator, as defined in the Benchmarks Regulation of the relevant benchmark (each a "Benchmark Administrator" and collectively the "Benchmark Administrators"). The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this prospectus is set out next to the name of the relevant Benchmark Administrator in Schedule I.
The list of benchmarks with respect to the relevant Sub-Funds including the relevant Benchmark Administrator can be found in the Schedule I to this prospectus.

### 2.4 Investment Manager and Investment Advisers /Advisory Board

The Management Company can, with the agreement of the Company and under its own responsibility and control, appoint one or more investment managers approved by the supervisory authorities for each Sub-Fund. The following investment managers may be appointed:

<u>Bank J. Safra Sarasin AG</u>
Bank J. Safra Sarasin AG, Elisabethenstrasse 62, CH-4051 Basel, Switzerland, is a Swiss private bank and is subject to supervision by the Swiss Financial Market Supervisory Authority FINMA. Its main activities combine investment advisory services and asset management for private and institutional clients as well as the investment fund business. Investment foundations, corporate finance, brokerage and financial analysis complete the service range.

<u>The Putnam Advisory Company, LLC</u>
The Putnam Advisory Company, LLC ("Putnam") is a subsidiary of Putnam Investments, LLC, one of the U.S.'s oldest money management firms, with over 75 years' experience investing. Putnam is registered as an investment adviser with the Securities and Exchange Commission (SEC) and has its offices at 100 Federal Street, Boston MA 02110, United States. Putnam provides investment services across a range of equity, fixed income, absolute return and alternative strategies.

<u>Goldman Sachs Asset Management International</u>
Goldman Sachs Asset Management International ("GSAMI") is located at Plumtree Court, 25 Shoe Lane, London EC4A 4AU, United Kingdom. GSAMI currently serves a wide range of clients including mutual funds, private and public pension funds, governmental entities, endowments, foundations, banks, insurance companies, corporations, and private investors and family groups. GSAMI and its advisory Affiliates, with financial centres around the globe, have a worldwide staff of over 1000 investment management professionals. GSAMI is regulated by the FCA and is a registered investment adviser under the Advisers Act. GSAMI is part of The Goldman Sachs Group, Inc., which is a bank holding company, together with Goldman Sachs & Co. LLC, GSAM LP and its Affiliates constitutes one of the world's oldest and largest investment banking and securities firms, was founded in 1869 and has at present more than 30 offices world-wide.

<u>Investment advisers/advisory board</u>
In addition, the Management Company can, with the agreement of the Company and under its own responsibility and control, appoint one or more investment advisers or advisory board(s) with no decision-making powers for each Sub-Fund.
The duties relative to the individual Sub-Funds may be exchanged between the investment managers and advisers/advisory boards at any time; however, an investment manager may only be replaced by another investment manager. An investment adviser/advisory board can be replaced by another investment adviser/advisory board or another investment manager. An up-to-date list of investment managers or sub-investment advisers for the individual Sub-Funds is available from the Company. The investment managers and advisers of the individual Sub-Funds are also listed in the annual and semi-annual reports of the Company.

### 2.5 Depositary

<u>Description of the depositary</u>
CACEIS Bank, Luxembourg Branch is acting as the Company's depositary (the "Depositary") in accordance with a depositary bank and principal paying agent agreement dated 13 October 2016 as amended from time to time (the "Depositary Bank and Principal Paying Agent Agreement") and the relevant provisions of the UCITS Directive.

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 1,280,677,691,03 Euros having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. Caceis Bank is an authorised credit institution supervised by the European Central Bank ("ECB") and the *Autorité de contrôle prudential et de résolution* ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Shareholders may consult upon request at the registered office of the Company, the Depositary Bank and Principal Paying Agent Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Funds' assets, and it shall fulfil the obligations and duties provided for by Part I of the 2010 Law. In particular, the Depositary shall ensure an effective and proper monitoring of the Company's cash flows.

In due compliance with the 2010 Law the Depositary shall:

(i) ensure that the sale, issue, re-purchase, redemption and cancellation of Shares of the Company are carried out in accordance with the applicable national law and the 2010 Law or the Company's articles of incorporation;

(ii) ensure that the value of the Shares is calculated in accordance with the 2010 Law and the Company's articles of incorporation;

(iii) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the 2010 Law, or the Company's articles of incorporation;

(iv) ensure that in transactions involving the Company's assets any consideration to the Company is remitted to the Company within the usual time limits; and

(v) ensure that the Company's income is applied in accordance with the 2010 Law and the Company's articles of incorporation.

The Depositary shall not delegate any of the obligations and duties set out in (i) to (v) of this clause.

In compliance with the provisions of the UCITS Directive, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondents or third party custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the 2010 Law.

A list of these correspondents/third party custodians are available on the website of the Depositary (www.caceis.com , section "veille règlementaire"). Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Company, such as administrative agency and registrar and transfer agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Company's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

a. identifying and analysing potential situations of conflicts of interest;
b. recording, managing and monitoring the conflict of interest situations either in:
    - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
    - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Company, notably, administrative agency and registrar and transfer agency services.

The Company and the Depositary may terminate the Depositary Bank and Principal Paying Agent Agreement at any time by giving ninety (90) days' prior notice in writing. The Company may, however, dismiss the Depositary only if a new depositary bank is appointed within two (2) months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments. The Depositary is a service provider to the Company and is not responsible for the preparation of this prospectus and therefore accepts no responsibility for the accuracy of any information contained in this prospectus or the validity of the structure and investments of the Company.

### 2.6 Central Administration, Domiciliary Agent, Registrar and Transfer Agent

The Company and the Management Company appointed CACEIS Bank, Luxembourg Branch, with its registered office at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310 as UCI administrator of the Company further to an agreement dated 20 May 2015 ("Administration Agency Agreement"). This agreement was concluded for an indefinite period and can be terminated by each party subject to 90 days' notice.
The UCI administration activity may be split into 3 main functions: the registrar function, the NAV calculation and accounting function, and the client communication function.
The registrar function encompasses all tasks necessary to the maintenance of the Company register and performs the registrations, alterations or deletions necessary to ensure its regular update and maintenance.
The NAV calculation and accounting function is responsible for the correct and complete recording of transactions to adequately keep the Company's books and records in compliance with applicable legal, regulatory and contractual requirements as well as corresponding accounting principles. It is also responsible for the calculation and production of the NAV of the Company in accordance with the applicable regulation in force.
The client communication function is comprised of the production and delivery of the confidential documents intended for investors.
CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as UCI administrator, in particular as regards the registrar and transfer agent activities including shareholders and investor services, with other entities of the group CACEIS, located in Europe or in third countries, and notably in United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the investor, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc.. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the Company, which will communicate these information to the investors. The Company will communicate to the investors any material changes to the information disclosed in this paragraph prior to their implementation.
The list of countries where the group CACEIS is located is available on the Internet site www.caceis.com. We draw your attention to the fact that this list could change over time.
The Company appointed CACEIS Bank, Luxembourg Branch, as domiciliary of the Company in Luxembourg further to an agreement dated 20 May 2015 ("Domiciliary and Corporate Agency Agreement"). This agreement was concluded for an indefinite period and can be terminated by either party subject to 90 days' notice.

### 2.7 Distributors

The Management Company may appoint distributors to sell Shares of one or more Sub-Funds of the Company. The names and addresses of these distributors can be obtained on request.

### 2.8 Auditor and Legal Adviser

Auditor
Deloitte Audit, Société à responsabilité limitée, 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg

Legal adviser
Arendt & Medernach S.A., 41A, avenue J.F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg

## 3. Investment Principles

### 3.1 Investment Objectives, Investment Policies, ESG related information, typical Risk and Investor Profile of the Sub-Funds

The investment objective of the Company for the Sub-Funds is to achieve long-term capital appreciation, or for some Sub-Funds to achieve a high and stable income. Investment will be made in a portfolio of transferable securities and other permitted assets (hereafter "Securities and other assets"). Investments will be made in accordance with the principle of risk spreading and the investment restrictions outlined in section 3.3 "Investment restrictions", while preserving the capital and maintaining its nominal value.
In order to achieve this objective, the assets of the individual Sub-Funds shall be invested, in accordance with the investment strategy of each Sub-Fund described in the respective annexes, predominantly in securities and other permitted assets expressed in the currency of the Sub-Funds or in the currency of another member state of the OECD or in euro, and which shall be traded on an official stock exchange or on another regulated market of an eligible state (see "Investment restrictions").
In addition to Securities and other assets permitted by the investment restrictions, the Company may also hold ancillary liquid assets.
Assets of each Sub-Fund expressed in a currency other than the currency of its issue price are permitted and may be hedged against currency risks through foreign exchange transactions.
For the purpose of efficient portfolio management, each Sub-Fund may use the techniques and derivatives permitted in accordance with the conditions described in section 3.4 "Use of derivatives and techniques and instruments". For all Sub-Funds it is permitted to use the derivative instruments specified in "Use of derivatives and techniques and instruments" not only for the hedging of risk, entering into potential obligations subject to a limit of 100% of the Sub-Fund's net assets, as provided under the 2010 Law. If this option is to be pursued, this is stated in the annex of the relevant Sub-Fund.

Under the normal investment policy, this allows permitted investments – subject to the conditions and investment limits set out in "Use of derivatives and techniques and instruments" – to be made both directly as well as indirectly, via the purchase of options, calls, futures or the sale of puts. At the same time, transactions to hedge against price, interest rate and currency risks affecting all investments authorised in a Sub-Fund are possible. When using special investment techniques and financial instruments (particularly financial derivative instruments and structured products), the Company shall ensure that each Sub-Fund maintains sufficient liquidity.

If and to the extent as indicated in the annex of the relevant Sub-Fund, the Sub-Funds may invest in non-investment grade securites or securities without credit rating, distressed securities as well as contingent convertible bonds ("CoCos"). A specific description of such investments including a specific risk disclosure is described in the annex of the relevant Sub-Fund in case such investments may be made by the Sub-Fund.

None of the Sub-Funds will make use of securities financing transactions (i.e. (a) repurchase transactions, (b) securities or commodities lending and commodities or securities borrowing, (c) buy-sell back transactions or sell-buy back transactions, and (d) margin lending transactions) or total return swaps subject to Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

The investment objective and policy as well as the typical risk and investor profile of each Sub-Fund are described in more detail in the annexes to this prospectus.

For the avoidance of doubt, for the benchmark disclosures of the relevant Sub-Funds that are actively managed without replicating any benchmark but with reference to a specific benchmark in Section "B. THE SUB-FUNDS", it shall be clarified that these Sub-Funds are managed with reference to these benchmarks for the purposes of measuring and monitoring their performance for comparison purposes against the benchmarks. Therefore, the composition of the portfolio holdings of these Sub-Funds is not constrained by the composition of these benchmarks.

The benchmarks of the individual Sub-Funds are listed in the annual and semi-annual reports and in the KIDs.

Further sustainability-related disclosures

For the purpose of the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), Sub-Funds with an explicit ESG investment strategy are classified into:

1. Sub-Funds promoting environmental or social characteristics

These Sub-Funds qualify as financial products under Art. 8(1) of the SFDR and further information can be found within the relevant Sub-Fund-specific part B "The Sub-Funds" and Schedule V "SFDR Disclosures".

The sub-funds are:

- JSS Multi Asset – Global Income
- JSS Bond – Global Convertibles
- JSS Bond – Global High Yield
- JSS Equity – Global Multifactor
- JSS Sustainable Equity – Future Health
- JSS Equity – India
- JSS Sustainable Equity – Strategic Materials

2. Sub-Funds with a sustainable investment objective

These Sub-Funds qualify as financial products under Art. 9(1), (2) or (3) of the SFDR and further information can be found within the relevant Sub-Fund-specific part B "The Sub-Funds" and Schedule V "SFDR Disclosures".

This Sub-Fund is:

- JSS Sustainable Equity – SDG Opportunities

3. Sub-Funds that do not promote environmental or social characteristics and/or do not have a sustainable investment objective

These Sub-Funds that do not promote environmental or social characteristics and / or do not have ESG investment objectives and the investments underlying these Sub-Funds, do not take into account the EU criteria for environmentally sustainable economic activities which are determined by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended from time to time (the "Taxonomy Regulation").

However, currently, none of the Sub-Funds classifies under such category.

### 3.2 Risk Profile and Risks

In addition to the general risks set out below, the Sub-Fund-specific annexes contain information on risks for the individual Sub-Funds.

#### 3.2.1 <u>General Risk profile</u>

Investments in a Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.

In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.

**General Risks**

<u>Market risk</u>

The value of investments within a Sub-Fund can be influenced by various factors (market trends, credit risk, etc.). There is therefore no guarantee that a Sub-Fund's investment objective will be achieved or that investors will get back the full amount of their invested capital upon redemption.

The value of the assets in which the Sub-Fund invests can be influenced by a number of factors, including economic trends, the legal and fiscal framework and changes in investor confidence and behaviour.
Furthermore, the value of bonds and equities can be affected by factors specific to an individual company or issuer, as well as general market and economic conditions. Equities of companies in growth sectors (e.g. technology) or emerging markets, and equities of small and mid caps are associated with relatively higher price risks. Corporate bonds usually carry a higher risk than government bonds. The lower the quality rating given to a debtor by a rating agency, the higher the risk. Non-rated bonds can be riskier than bonds with an investment grade rating.
The value of equities may be reduced by changing economic conditions or disappointed expectations, and investors and/or the Sub-Fund may not get back the full value of the original investment. In the case of bonds, the above-mentioned risk factors mean there is no guarantee that all issuers will be able to meet their payment obligations in full and on time.
The value of a Sub-Fund can also be influenced by political developments. For example, the price of a Sub-Fund can be negatively affected by changes to laws and tax legislation, restrictions on foreign investments and restrictions on the freedom of exchange transactions in countries in which the Sub-Fund invests.

<u>Interest rate risk</u>
The value of bonds may also be affected in particular by changes in interest rates. This is the risk that the value of a bond may fall, so when such an investment by the Sub-Fund is sold, its value may be lower than the original purchase price.

<u>Credit and counterparty risk</u>
Sub-Funds that enter into a business relationship with third parties, including over-the-counter ("OTC") transactions (borrowing, money market investments, issuers of derivatives, etc.), are exposed to counterparty risk. This is the risk that a third party may not be able to fulfil its obligations in full.

<u>Exchange rate and currency risk</u>
If a Sub-Fund invests in currencies other than the Accounting Currency (foreign currencies), it is exposed to exchange rate risk. This is the risk that currency fluctuations may negatively impact the value of the Sub-Fund's investments. Depending on an investor's Reference Currency, such fluctuations can have a negative impact on the value of their investment.
In addition, the investment manager will endeavour to largely hedge investments against currency fluctuations relative to the Reference Currency of Shares classes with "hedged" in the name. However, the possibility of currency fluctuations working to the disadvantage of the corresponding share classes of this Sub-Fund cannot be ruled out.

<u>Concentration risk</u>
The greater the weighting (the Share in the Sub-Fund), the greater the enterprise risk or other risks specific to issuers involved (a fall in prices or default). These risks may be mitigated by limiting and monitoring the issuer concentration.

<u>Liquidity risk</u>
A UCITS is obliged to redeem Shares at the request of a shareholder. Sub-Funds are exposed to liquidity risk if they cannot sell or close out certain investments at short notice and thus cannot meet their payment obligations on time.
Particularly in the case of thinly traded securities, a fairly small order can result in significant price changes for both purchases and sales. If an asset is illiquid, there is a risk that, if the asset needs to be sold, the liquidation will not be possible or will only possible if a significant discount on the purchase price is accepted. In the event of purchase, an asset's illiquidity may result in a significant increase in the purchase price. Sub-fund's assets may also include assets that are not listed on an exchange or traded on some other organised market. Acquiring such assets carries the particular risk that difficulties will be met in selling the assets on to third parties. Securities of small & mid caps companies are subject to the risk that the market in these securities might not always be liquid. This can mean that the securities cannot be sold at the desired time and/or cannot be traded in the desired quantity and/or at the desired price.
On asset side, liquidity risk is mitigated through the maintenance of sufficient highly liquid investments at portfolio level (under normal and stressed market conditions). From liabilities' perspective, liquidity risk is managed through monitoring historical and anticipated net outflows (under normal and stressed market conditions), large shareholder concentrations as well as other potential payment obligations (e.g. margin, interest payments). At sub-fund level, it is ensured that relevant liquidity management tools in place as well as redemption terms are appropriate with regards to the sub-fund's investment strategy and underlying assets.
In case of insufficient portfolio liquidity or other liquidity issues, the permanent risk management function of J. Safra Sarasin Fund Management (Luxembourg) S.A. is in charge of reporting the issue to the Fund's Board of Directors which will in turn decide on appropriate corrective measures to be taken in accordance with the Management Company's Risk Policy. All necessary steps are taken to ensure that shareholders are not exposed to liquidity shortcomings.

<u>Operational risk (including settlement risk)</u>
As a result of their collaboration with third parties, Sub-Funds are exposed to various operational risks that may give rise to losses. With operational risks, a distinction is generally made between internal and external events. Internal events include (i) insufficient internal procedures and (ii) human or (iii) system failures. Insufficient internal procedures mean inadequate or deficient processes, insufficient internal control mechanisms, violations which are not taken into consideration or not recorded and the inadequate division of responsibilities. Human

error includes poor capacity planning, dependency on key personnel, defective or ineffective management, undiscovered money-laundering or thefts, insufficiently qualified personnel and fraud. System failures may include inadequate access controls, a lack of business continuity planning, unsuitable systems, a lack of system maintenance and monitoring as well as defective system security. External events, in contrast, include fraud by external persons, natural disasters, geopolitical risks and market events. Finally, operational risks also include legal and documentation risks plus risks which result from the trading, settlement and evaluation procedures operated for the Sub-Fund. Sub-Funds that do business with third parties are exposed to settlement risk. This is the risk that a third party may be unable to fulfil its obligations in full and on time.

<u>Derivatives risk (risks associated with the use of derivative products)</u>

Market risks have a far greater impact on derivatives than on direct investment instruments. As such, the value of investments in derivatives can fluctuate severely. Derivatives carry not only market risk, as with traditional investments, but also a number of other risks. The further risks to bear in mind are:

- When using derivatives, a credit risk arises if a third party (counterparty) does not fulfil the obligations of the derivative contract. The credit risk of derivatives traded over-the-counter is generally higher than in exchange-traded derivatives. When evaluating the potential credit risk of derivatives traded over-the-counter, the creditworthiness of the counterparty must be taken into account. In the event of the bankruptcy or insolvency of a counterparty, the Sub-Fund concerned may suffer delays in the settlement of positions and considerable losses, including impairment of the investments made during the period in which the Sub-Fund seeks to enforce its claims; it may fail to realise profits during this period and may also incur expenses in connection with the enforcement of these rights. There is also a possibility that derivative contracts will be terminated, for example due to bankruptcy, supervening illegalities or due to a change in tax or accounting legislation affecting the provisions in force when the contract was concluded. Investors should be aware that the insolvency of a counterparty can in principle result in substantial losses for the Sub-Fund.
- Liquidity risk can arise in derivatives if their market becomes illiquid. This is frequently the case in derivatives traded over-the-counter. Derivatives also carry valuation risk, since determining prices is often a complex process and can be influenced by subjective factors.
- Over-the-counter derivatives carry higher settlement risk.
- Derivatives can also be exposed to management risk, as they do not always have a direct or parallel relationship with the value of the underlying instrument from which they are derived. As such, there can be no guarantee that the investment objective will be achieved when using derivative products.
- There is generally no market price available for OTC derivatives, which can give rise to valuation problems at the Sub-Fund level.

<u>Custody risk</u>

The investment managers may decide from time to time to invest in a country where the Depositary has no correspondent. In such a case, the Depositary will have to identify and appoint a local custodian following a respective due diligence. This process may take time and deprive in the meantime the investment manager of investment opportunities.

The Depositary will assess on an ongoing basis the custody risk of the country where the Sub-Fund's assets are safekept. In many emerging markets, local custody and settlement services remain underdeveloped and there is a custody and transaction risk involved in dealing in such markets. In certain circumstances, the Sub-Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, to secure the investment, the investment manager may be required to sell the assets immediately at a less attractive price than the Sub-Fund would have received under normal circumstances, potentially affecting the performance of the Sub-Fund.

In accordance with the Directive 2009/65/EC, entrusting the custody of the Sub-Fund's assets to the operator of a securities settlement system ("SSS") is not considered as a delegation by the Depositary and the Depositary is exempted from the strict liability of restitution of assets. A central securities depositary ("CSD") being a legal person that operates a SSS and provides in addition other core services, should not be considered as a delegate of the Depositary irrespective the fact that the custody of the Sub-Fund's assets have been entrusted to it. There is however some uncertainty around the meaning to be given to such exemption, the scope of which may be interpreted narrowly by some supervisory authorities, notably the European supervisory authorities.

In certain circumstances, the Depositary may be required by local law to delegate safekeeping duties to local custodians subject to weaker legal and regulatory requirements or who might not be subject to effective prudential supervision, increasing thus the risk of a loss of the Sub-Fund's assets held by such local custodians through fraud, negligence or mere oversight of such local custodians. The costs borne by the Sub-Fund in investing and holding investments in such markets will generally be higher than in organised security markets.

<u>Pledge</u>

As a continuing security for the payment of its duties under the Depositary Bank and Principal Paying Agent Agreement (like fees to the depositary or also overdraft facilities offered by the Depositary), the Depositary shall have a first priority pledge of 10% granted by the Company over the assets the Depositary or any third party may from time to time hold directly for the account of the Sub-Funds, in any currency.

<u>Cash</u>

Under the Directive 2009/65/EC, cash is to be considered as a third category of assets beside financial instruments that can be held in custody and other assets. The Directive 2009/65/EC imposes specific cash flow monitoring obligations. Depending on their maturity, term deposits could be considered as an investment and consequently would be considered as other assets and not as cash.

Investments in other investment funds

If a Sub-Fund invests in another UCITS or UCI ("Target Fund"), it should be noted that costs will also be incurred at the level of these Target Funds (incl. custodian fees, central administration fees, asset management fees, taxes, etc.). As the investor in these Target Funds, the Sub-Fund in question shall bear these costs, in addition to the costs incurred at the Sub-Fund level.

Debt securities issued pursuant to Rule 144A under the US Securities Act of 1933

Sub-Funds may also invest in debt securities of corporations issued under Rule 144A under the US Securities Act of 1933. SEC Rule 144A provides a safe harbor exemption from the registration requirements of the US Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for investors is potentially higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extremes conditions, decrease the liquidity of a particular rule 144A security.

Tax Treatment of the shareholders

The tax position of the shareholders may vary according to their particular financial and tax situation. The structuring of the Company and/or its investments may not be tax-efficient for a particular prospective shareholder. No undertaking is given that amounts distributed or allocated to the shareholders will have any particular characteristics or that any specific tax treatment will apply. Further, no assurance is given that any particular investment structure in which the Company has a direct or indirect interest will be suitable for all shareholders and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the shareholders.

Prospective shareholders should consider their own tax position in relation to subscribing for, purchasing, owning and disposing of Shares, and consult their own tax advisors as appropriate. None of the Company and its affiliates, or any officer, director, member, partner, employee, advisor or agent thereof can take responsibility in this regard.

Taxation of foreign jurisdictions

Shareholders, the Company and/or any vehicle in which the Company has a direct or indirect interest may be subject to tax in jurisdictions in which the shareholders, the Company or any such vehicles are incorporated, organised, controlled, managed, have a permanent establishment or permanent representative, or are otherwise located and/or in which investments are made and/or with which investments have a connection.

Moreover, taxes such as withholding tax or similar taxes may be imposed on profits of, or proceeds received by, the Company from investments in such jurisdictions, and such taxes may not be creditable to, or deductible by, the Company or the shareholders in their respective jurisdictions.

Changes in tax law, practice and interpretation

Applicable law and any other rules or customary practice relating to or affecting tax, or the interpretation of these in relation to the shareholders, the Company and its investments may change during the life of the Company (possibly with retroactive effect). In particular, both the level and the basis of taxation may change. Additionally, the interpretation and application of tax law, rules and customary practice by any taxation authority or court may differ from that anticipated by the Company and its advisors. This could significantly affect returns to the Company and the shareholders.

Base Erosion and Profit Shifting and Anti-Tax Avoidance Directives

The pace of evolution of fiscal policy and practice has recently been accelerated due to a number of developments. In particular, the OECD together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as BEPS through 15 actions detailed in reports released on 5 October 2015 and through the Inclusive Framework on a global consensus solution to reform the international corporate tax system via a two-pillar plan in 2021 known as Pillar I and Pillar II ("BEPS 2.0"). Subject to the development and implementation of these new rules, the return of the shareholders may be adversely affected. As part of the BEPS project, new rules dealing with inter alia the abuse of double tax treaties, the definition of permanent establishments, controlled foreign companies, restriction on the deductibility of excessive interest payments and hybrid mismatch arrangements, have been or will be introduced into the respective domestic laws of members of the BEPS project (i.a. by means of European directives and a multilateral instrument).

The Council of the EU adopted two Anti-Tax Avoidance Directives, namely ATAD I and ATAD II, that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented by the law of 21 December 2018 and the law of 20 December 2019 into Luxembourg domestic law.

These measures may affect returns to the Company and thus to the shareholders.

Exchange of information on reportable cross-border arrangements

Following the adoption of the Luxembourg law of 25 March 2020, as amended from time to time (the "DAC 6 Law") implementing Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements ("DAC 6"), certain

intermediaries and, in certain cases, taxpayers have to report certain information on reportable cross-border arrangements to the Luxembourg tax authorities within a specific timeframe.
A reportable cross-border arrangement is any cross-border arrangement involving one or more of certain types of taxes, and containing at least one hallmark (i.e., a characteristic or feature that presents an indication of a potential risk of tax avoidance) as set out in the DAC 6 Law. A cross-border arrangement will only fall within the scope of the DAC 6 Law if one of the following triggering events occurs: the arrangement is made available, or is ready for implementation, or the first step of the implementation of the arrangement is taken; or aid, assistance or advice is provided with respect to designing, marketing, organising, making available for implementation or managing the implementation of a reportable cross-border arrangement.
The reported information will be automatically exchanged by the Luxembourg tax authorities with the competent authorities of all other EU Member States. As the case may be, the Company may take any action that it deems required, necessary, advisable, desirable or convenient to comply with the reporting obligations imposed on intermediaries and/or taxpayers pursuant to the DAC 6 Law. Failure to provide the necessary information under DAC 6 may result in the application of fines or penalties in the relevant EU jurisdiction(s) involved in the cross-border arrangement in question. Under the DAC 6 Law, late reporting, incomplete or inaccurate reporting, or non-reporting may be subject to a fine of up to EUR 250,000.

<u>FATCA and CRS</u>
Under the terms of the Luxembourg law of 24 July 2015, as amended, implementing the Model 1 Intergovernmental Agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to the United States information reporting provisions commonly known as FATCA (the "FATCA Law") and the Luxembourg law of 18 December 2015 on the CRS, as amended, implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD's multilateral competent authority agreement on automatic exchange of financial account information (the "CRS Law"), the Company is treated as a Luxembourg Reporting Financial Institution. As such, the Company requires all shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations.
Should the Company become subject to a withholding tax and/or penalties as a result of non-compliance under the FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the value of the Shares held by all shareholders may be materially affected.
Furthermore, the Company may also be required to withhold tax on certain payments to its shareholders which would not be compliant with FATCA (i.e. the so-called foreign passthru payments withholding tax obligation).

### 3.2.2 <u>Sub-Fund's specific Risk Profile</u>

If specifically referred to in the Sub-Fund's specific annex, a Sub-Fund might be exposed to specific risk as follows:

**Emerging Markets related risks**
The emerging markets are at an early stage in their development and subject to an increased risk of expropriations, nationalisations and social, political and economic uncertainty. Compared with developed markets, therefore, investments in emerging markets entail increased risks in the form of liquidity squeezes, sharp currency and price fluctuations, currency export restrictions, custody and settlement risks, buying and selling restrictions, and a weak regime of financial market regulation, for example. It is therefore important that such investments are viewed as a long-term investment.
Potential investors are advised that investing in emerging markets carries a higher risk. In particular, this includes the risk:

a) that a low volume of trading in the securities, or the absence thereof, on the corresponding securities market may lead to liquidity squeezes and relatively higher fluctuations in prices;
b) of uncertainty in the political, economic and social conditions and the related risks of expropriation or confiscation, the risk of unusually high inflation rates, prohibitive taxation measures and other negative developments;
c) of the possibility of considerable fluctuations in the exchange rate, differences in the rule of law, the existing or potential currency export restrictions, customs or other restrictions and any laws or other restrictions which apply to investments;
d) of political or other circumstances which restrict the investment opportunities of the relevant Sub-Fund such as, for example, restrictions on issuers or industries which are classified as sensitive to national interests; and
e) of the absence of appropriately developed legal structures for private or foreign investments and the risk of a possible lack of protection of private ownership.

Currency export restrictions or other related regulations in these countries may also lead to complete or partial delays in the repatriation of the investments, or fully or partly prevent this, with the consequence of possible delays in the payment of the Redemption Price.

**Distressed Securities**
When investing in distressed securities, there is also a higher credit default risk which may arise in connection with payment default or serious financial difficulties among the respective companies.
Investments in distressed securities involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt

securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the investment manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which the relevant Sub-Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate the relevant Sub-Fund adequately for the risks assumed.

**Contingent convertible bonds ("CoCos") related risks**

Most CoCos are issued as perpetual instruments which are callable at pre-determined dates.

Perpetual CoCos may not be called on the predefined call date and investors may not receive return of principal on the call date or at any date.

There are no widely accepted standards for valuing CoCos. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale. In certain circumstances finding a ready buyer for CoCos 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.

There are three types of CoCos with different percentage of risk weighted assets (the "RWA"). The implemented legislation through the Capital Requirements Directive IV (the "CRD IV") and Capital Requirement Regulation (the "CRR") as with Basel III, mandates a change in the quantity of the highest quality capital layer Common Equity Tier 1 (CET1), increasing from what was effectively 2% to 4.5% of RWA. While the intent of the legislation is to ensure an increase in a bank's common equity, the regulation allows a financial institution to issue Additional Tier 1 (AT1) securities in non-CET1 capital but in the form of CoCos so that Tier 1 capital is at least 6% of RWA at all times. CoCos may also be issued as Tier 2 (T2) instruments so that total capital is at least 8% of RWA at all times.

There are potential risks to investing in CoCos which include the following:

Trigger level risk: CoCos which qualify as AT1 can be converted in CoCos qualifying as CET1 if certain levels are triggered. As a result, CoCos which qualify as AT1 de facto carry an equity risk. The amount of CET1 varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.

Coupon cancellation: Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. While all CoCos (AT1 and T2) are subject to conversion or write down when the issuing bank reaches the trigger level, for AT1s there is an additional source of risk for the investor in the form of coupon cancellation in a going concern situation. Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 instruments and may lead to mispricing of risk.

Perhaps most challenging to investors, given the required absence of dividend stoppers/pushers, the AT1 holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Capital structure inversion risk: Contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down CoCo is activated.

This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger T2 CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity.

Call extension risk: AT1 CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual CoCos will be called on call date. AT1 CoCos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

Unknown risk: The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, price formation may be increasingly stressed in an illiquid market.

Yield/Valuation risk: Investors have been drawn to the instrument as a result of the CoCos' often attractive yield which may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers,

CoCos tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 CoCos, coupon cancellation.
Liquidity Risk: CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

**Credit Default Swaps**
Credit default swap transactions can be subject to higher risk than direct investment in debt securities. A Sub-Fund may employ credit default swaps for investment and for hedging purposes, i.e. to increase or decrease its exposure to changing security prices or other factors affecting security values.
The "buyer" (of protection) in a credit default swap transaction is obliged to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or "par value", of the reference obligation in exchange for the reference obligation, an equivalent deliverable obligation or the market value.
If no event of default or decrease of credit quality occurs with regard to the reference obligation, the relevant Sub-Fund (if buyer) will lose its investment and recover nothing. However, if an event of default occurs, the relevant Sub-Fund (if buyer) will receive the full notional value of the reference obligation that may have little or no value. In case of a rise in credit quality with regard to the reference obligation, the relevant Sub-Fund (as buyer) may generate a loss in case of a close-out of the credit default swap before expiry. As seller, the relevant Sub-Fund receives a fixed rate of income throughout the term of the contract, provided that there is no event of default. If an event of default occurs, the relevant Sub-Fund must pay the buyer the full notional value of the reference obligation and will receive only the defaulted reference obligation or the market value of the reference obligation. In case of a decline in credit quality with regard to the reference obligation, the relevant Sub-Fund may generate a loss in case of a close-out of the credit default swap before expiry.
In addition to the risk factors addressed in the section 3.2 of this prospectus "Risk profile and risks", sub-section 3.2.1 "General Risk Profile" chapter "Derivatives risk (risks associated with the use of derivative products)", the market for credit derivatives may from time to time be less liquid than debt securities markets. The sale of a credit derivative may increase the risk exposure of the relevant Sub-Fund to the market (leverage).

**Risks linked with dealing in securities via Stock Connect**
To the extent that the relevant Sub-Fund's investments in China are dealt via Stock Connect, such dealing may be subject to additional risk factors. Stock Connect is a mutual market access programme through which non-PRC investors can deal in select securities listed on a People's Republic of China ("PRC") stock exchange, currently the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE"), through a platform organized by the Hong Kong Stock Exchange ("SEHK") via a broker in Hong Kong and PRC domestic investors can deal in select securities listed on the SEHK through a platform put in place by a PRC stock exchange, currently the SSE and SZSE.
The relevant regulations are subject to change. Stock Connect is subject to quota limitations which may restrict the relevant Sub-Fund's ability to deal via Stock Connect on a timely basis. This may impact the Sub-Fund's ability to implement its investment strategy effectively. Currently, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index, the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index (with market capitalization of Renminbi "**RMB**" 6 billion or above) as well as all China A Shares dual-listed on either the SSE or SZSE and the SEHK except for listed shares which are not traded in RMB and/or which are under 'risk alert' or under delisting arrangements. Shareholders should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the relevant Sub-Fund's ability to meet its investment objective, e.g. when the investment manager wishes to purchase a security which is recalled from the scope of Stock Connect.

<u>Beneficial owner of the SSE/SZSE Shares</u>
Stock Connect currently comprises the Northbound link, through which Hong Kong and overseas investors like the Fund may purchase and hold China A Shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange ("**SSE/SZSE Shares**"), and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the Stock Exchange of Hong Kong. The relevant Sub-Fund trades SSE/SZSE Shares through its broker affiliated to the Fund sub-custodian who is SEHK exchange participants. These SSE/SZSE Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**") maintained by the Hong Kong Securities and Clearing Corporation Limited ("**HKSCC**") as central securities depositary in Hong Kong and nominee holder. HKSCC in turn holds SSE/SZSE Shares of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depositary in Mainland China.
Because HKSCC is only a nominee holder and not the beneficial owner of SSE/SZSE Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that SSE/SZSE Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in SSE/SZSE Shares in Mainland China. Foreign Investors like the concerned Sub-Fund investing through the Stock Connect holding the SSE/SZSE Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.

Not protected by Investor Compensation Fund

Investors should note that any Northbound or Southbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

Pre-trade checking

Mainland China law provides that SSE and SZSE may reject a sell order if an investor (including the relevant Sub-Fund) does not have sufficient available China A shares in its account. SEHK will apply similar checking on all sell orders of China connect securities on the Northbound link at the level of SEHK's registered exchange participants ("Exchange Participants") to ensure there is no overselling by any individual Exchange Participant ("Pre-Trade Checking").

Quota limitations

Trading under Stock Connect will be subject to a maximum daily quota ("Daily Quota"). The Northbound link will be subject to a separate set of Daily Quota, which is monitored by SEHK. The Daily Quota limits the maximum net buy value of cross-border trades via the Northbound link under Stock Connect each day. The applicable quota may change from time to time without prior notice and consequently affect the buy trades on the Northbound link.

In particular, once the remaining balance of the Daily Quota applicable to the Northbound link drops to zero or such Daily Quota is exceeded, new buy orders will be rejected (though investors will be allowed to sell their China connect securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Sub-Funds' ability to invest in China connect securities through Stock Connect on a timely basis.

Difference in trading day and trading hours

Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the two Mainland China markets, Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange (SZSE), and Hong Kong Stock Exchange (HKSE). Stock Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong.

The investment manager should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in China A Shares during the time when Stock Connect is not trading.

Restriction on Day Trading

Day (turnaround) trading is not permitted on the China A Share market. Therefore, a Sub-Fund buying China Connect Securities on T day can only sell the shares on and after T+1 day subject to any China Connect rules. This will limit the Sub-Fund's investment options, in particular where a Sub-Fund wishes to sell any China Connect Securities on a particular trading day. Settlement and Pre-Trade Checking requirements may be subject to change from time to time.

Order Priority

Where a broker provides the Stock Connect trading services to its clients, proprietary trades of the broker or its affiliates may be submitted to the trading system independently and without the traders having information on the status of orders received from clients. There is no guarantee that brokers will observe client order priority (as applicable under relevant laws and regulations).

Best Execution Risk

China connect securities trades may, pursuant to the applicable rules in relation to Stock Connect, be executed through one or multiple brokers that may be appointed for the relevant Sub-Fund for trading via the Northbound Trading Link. In order to satisfy the Pre-Trade checking requirements, the Sub-Fund may determine that they can only execute China connect securities trades through certain specific broker(s) or Exchange Participant(s) and accordingly such trades may not be executed on a best execution basis.

In addition, the broker may aggregate investment orders with its and its affiliates' own orders and those of its other clients, including the relevant Sub-Fund. In some cases, aggregation may operate to the Sub-Funds disadvantage and in other cases aggregation may operate to the Sub-Funds advantage.

Limited off-exchange trading and transfers

"Non-trade" transfers (i.e. off-exchange trading and transfers) through Stock Connect are generally not permitted except in limited circumstances provided under Stock Connect rules.

Clearing, settlement and custody risks

HKSCC and ChinaClear have established the clearing links between SEHK and SSE and SZSE and each has become a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

China Connect Securities traded through Stock Connect are issued in scripless form, so investors will not hold any physical China Connect Securities. Under Stock Connect, Hong Kong and overseas investors which have acquired China Connect

Securities through the Northbound link, should maintain such China Connect Securities with their brokers' or custodians' stock accounts with CCASS operated by HKSCC.
There are risks involved in dealing with the custodians or brokers who hold the Sub-Funds' investments or settle the Sub-Funds' trades under this arrangement. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, the Sub-Funds would be delayed or prevented from recovering the relevant assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.
Due to a short settlement cycle for China Connect Securities, the CCASS clearing participant acting as custodian may act upon the exclusive instruction of the selling broker duly instructed by the relevant Sub-Fund's investment manager. For such purpose, the Depositary may have to waive, at the risk of the Sub-Fund, its settlement instruction right in respect of CCASS clearing participant acting as its custodian in the market.
Accordingly, the selling brokerage and custody services may be provided by one entity, whereas the Sub-Fund may be exposed to risks resulting from potential conflict of interests which will be managed by appropriate internal procedures.
The Sub-Funds' rights and interests in China Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of the China Connect Securities credited to HKSCC's RMB common stock omnibus account with ChinaClear.

Risk of CCASS Default and ChinaClear Default
Investors should note that China Connect Securities held with relevant brokers' or custodians' accounts with CCASS may be vulnerable in the event of a default, bankruptcy or liquidation of CCASS. In such case, there is a risk that the Sub-Funds may not have any proprietary rights to the assets deposited in the account with CCASS, and/or the Sub-Funds may become unsecured creditors, ranking pari passu with all other unsecured creditors, of CCASS.
Further, the Sub-Funds' assets under relevant brokers' or custodians' accounts with CCASS may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Sub-Funds. In particular, there is a risk that creditors of CCASS may assert that the securities are owned by CCASS and not the Sub-Funds, and that a court would uphold such an assertion, in which case creditors of CCASS may seek to seize assets of the Sub-Funds.
In the event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any China Connect Securities trades, ChinaClear will deduct the amount of that shortfall from HKSCC's RMB common stock omnibus account with ChinaClear, such that the Sub-Funds may share in any such shortfall.
ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. Should the remote event of ChinaClear's default occur and ChinaClear be declared as a defaulter, HKSCC has stated that it will in good faith, seek recovery of the outstanding China Connect Securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect authorities. In that event, the Sub-funds may suffer delay in the recovery process or may not be able to fully recover their losses from ChinaClear.

Participation in corporate actions and shareholders' meetings
Following existing market practice in the PRC, investors engaged in trading of China Connect Securities on Northbound link will not be able to attend meetings by proxy or in person of the relevant SSE-listed company or the relevant SZSE-listed company. The Sub-Funds will not be able to exercise the voting rights of the invested company in the same manner as provided in some developed markets.
In addition, any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website or the SZSE website and certain officially appointed newspapers. However, SSE-listed issuers and SZSE-listed issuers publish corporate documents in Simplified Chinese only, and English translations will not be available.
HKSCC will keep CCASS participants informed of corporate actions of China Connect Securities. Hong Kong and overseas investors will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China Connect Securities may be as short as one business day only. Therefore, the Sub-Funds may not be able to participate in some corporate actions in a timely manner. Further, as multiple proxies are not available in Mainland China, the Sub-Funds may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of China Connect Securities. There is no assurance that CCASS participants who participate in the Stock Connect Scheme will provide or arrange for the provision of any voting or other related services.

Short swing profit rule risk
According to the Mainland China securities law, a shareholder holding 5% or more, aggregating its positions with other group companies, of the total issued shares ("Major Shareholder") of a Mainland China incorporated company which is listed on a stock exchange in Mainland China (a "PRC Listco") has to return any profits obtained from the purchase and sale of shares of such PRC Listco if both transactions occur within a six-month period. In the event that the Fund becomes a Major Shareholder of a PRC Listco by investing in China Connect Securities via Stock Connect, the profits that the Sub-Funds in question may derive from such investments may be limited, and thus the performance of the Sub-Funds may be adversely affected depending on the Fund's size of investment in China Connect Securities through Stock Connect.

Disclosure of Interests Risk

Under the Mainland China disclosure of interest requirements, in the event the Fund becomes a Major Shareholder of a PRC Listco may be subject to the risk that the Fund's holdings may have to be reported in aggregate. This may expose the Company's holdings to the public with an adverse impact on the performance of the Sub-Fund in question.

Foreign Ownership Limits

Since there are limits on the total shares held by all underlying foreign investors and/or a single foreign investor in one PRC Listco based on thresholds as set out under the Mainland China regulations (as amended from time to time), the capacity of the Sub-Funds to make investments in China Connect Securities will be affected by the relevant threshold limits and the activities of all underlying foreign investors.

It will be difficult in practice to monitor the investments of the underlying foreign investors since an investor may make investment through different permitted channels under Mainland China laws.

Operational risk

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in Stock Connect subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

Further, the "connectivity" in Stock Connect requires routing of orders across the border of Hong Kong and Mainland China. This requires the development of new information technology systems on the part of SEHK and Exchange Participants (i.e. China Stock Connect) to be set up by SEHK to which Exchange Participants need to connect. There is no assurance that the systems of SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in China Connect Securities through Stock Connect could be disrupted. The Sub-Funds' ability to access the China A Share market through Stock Connect (and hence to pursue its investment strategy) may be adversely affected.

Regulatory risk

Stock Connect is a new program to the market and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in Mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

Differences in trading day

Stock Connect will only operate on days when both Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but investors cannot carry out any China Connect Securities trading. The Sub-Funds may be subject to a risk of price fluctuations in China Connect Securities during the time when Stock Connect is not trading as a result.

Risks relating to suspension of the Mainland China stock markets

Securities exchanges in Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges, whereby trading in any China A Shares on the relevant stock exchange may be suspended if the trading price of the security fluctuates beyond the trading band limit. Such a suspension would make any dealing with the existing positions impossible and would potentially expose the Sub-Funds concerned to losses.

Mainland China tax risk

Under Caishui [2014] No. 81 for the Shanghai-Hong Kong Connect scheme and Caishui [2016] No. 127 for the Shenzhen-Hong Kong Connect scheme jointly issued by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on 14 November 2014 and 5 November 2016 respectively, investors investing in China Connect Securities through Stock Connect are exempt from income tax on capital gains derived from the sales of China Connect Securities. However, there is no guarantee on how long the exemption will last and there can be no certainty that the trading of China Connect Securities will not attract a liability to such tax in the future. The Mainland China tax authorities may in the future issue further guidance in this regard and with potential retrospective effect.

In light of the uncertainty as to how gains or income that may be derived from a Sub-Fund's investments in Mainland China will be taxed, the Fund reserves the right to increase the tax burden which is caused by withholding tax on such gains or income and withhold tax for the account of the investments for and on behalf of the Sub-Fund in question.

Risks relating to ChiNext market and STAR Board

Certain eligible China A Shares under the Shenzhen-Hong Kong Connect scheme are listed on the SZSE's ChiNext market, which will be limited to the institutional professional investors at the initial stage of Shenzhen Connect.

STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the relevant Sub-Fund to higher concentration risk. Listed companies on ChiNext market and/or STAR Board are usually of emerging nature with a smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to greater fluctuation in stock prices and liquidity risks

and have higher risks and turnover ratios than companies listed on the main board.
The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main boards.
Generally, stocks listed on ChiNext market and STAR Board contain higher risk than those listed on main board and small and medium enterprise board (“SME”).

<u>Regulatory risk</u>
The listing requirements of ChiNext Board are less stringent than main board and SME, e.g. requiring a shorter track record period and lower net profit, revenue and operating cash flow. Moreover, the disclosure rules applied to the ChiNext Board are different from main board and SME Board. For example, ad hoc reports of ChiNext companies are only required to be published on a CSRC designated website and on the issuers' website. If investors continue to check information through the usual disclosure channels for main board and SME Board, they may miss out some important information disclosed by ChiNext companies.
<u>Operating risk</u>
Companies listed on ChiNext Board are generally in the early stage of development, whose business is unstable, profitability is low, and less resilient against market and industry risks. Operating risks experienced by these companies often include technical failure, new products are not well-received by the market, failure to catch up the market development and any changes in the founder, management team and core technician team.

<u>Delisting risk</u>
Compared to the main board, the proportion of companies delisting is higher on the ChiNext Board.

<u>Fluctuation in stock price</u>
As companies listed on ChiNext Board are relatively small and their business performance are unstable, they are more vulnerable to speculation. Share price of the ChiNext stocks is more volatile.

<u>Technical risk</u>
Companies listed on ChiNext Board are mainly high technology companies, whose success is subject to technical innovations. However, these companies are exposed to the risks and challenges relating to technical innovation, such as high R&D costs, technical failure, and rapid development and replacement in technology and product market.

<u>Risks relating to valuation</u>
Generally, it is difficult to estimate the value of a company listed on ChiNext Board as they are in the early stage of development with short operating history and unstable profits and cash flow. Therefore, traditional valuation method, such as price-to-earnings ratio and price-to-book ratio, is difficult to be applied.

No application has been submitted or will be submitted, nor any registration has been or will be sought, by the Management Company to or from any of the PRC governmental or regulatory authorities in connection with the advertising, offer, distribution or sale of the Shares of a Sub-Fund in or from the PRC and the Management Company does not intend to or will not, directly or indirectly, advertise, offer, distribute or sell the Shares to persons resident in the PRC.
The Shares are not intended to be offered or sold within the PRC or to PRC investors. Any PRC investor shall not subscribe for Shares unless it is permitted to do so under all relevant PRC laws, rules, regulations, notices, directives, orders or other regulatory requirements in the PRC issued by any PRC governmental or regulatory authority that are applicable to the investor, the Fund or the investment manager of the Sub-Fund in question (whether or not having the force of law) as may be issued and amended from time to time. Where applicable PRC investors are responsible for obtaining all necessary governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission and/or other relevant regulatory bodies as applicable, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations. If an investor fails to comply with the above, the Fund may take any action in good faith and acting on reasonable grounds in relation to such investor’s Shares to comply with relevant regulatory requirements, including effecting compulsory redemption of Shares owned by the relevant investor, subject to the Company’s articles of incorporation, and applicable laws and regulations.
Persons into whose possession this prospectus or any Shares may come must inform themselves about and observe any such restrictions.

<u>Recalling of eligible stocks and trading restrictions</u>
A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the investment manager. The investment manager should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE/SZSE and HKSE.
Under Stock Connect, the investment manager will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under “risk alert”; (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK and/or (iv) in respect of SZSE Shares only, such Shares, based on any subsequent periodic review, that are determined to have a market capitalisation of less than RMB 6 billion. Investors should also note that price fluctuation limits would be applicable to China A Shares.

Trading costs
In addition to paying trading fees and stamp duties in connection with China A Shares trading, the relevant Sub-Fund carrying out Northbound trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.

Currency risks
Northbound investments by the relevant Sub-Fund in the SSE/SZSE securities will be traded and settled in Renminbi. If the relevant Sub-Fund holds a class of shares denominated in a local currency other than RMB, the Sub-Fund will be exposed to currency risk if the relevant Sub-Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the relevant Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Sub-Fund purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

**The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.**

**Risks related to investments in China**
To the extent that the relevant Sub-Funds' made investments in China, operations and financial results could be adversely affected by adjustments in the People's Republic of China's ("PRC's") state plans, political, economic and social conditions, changes in the policies of the PRC government and laws and regulations, in particular where investments are made through any of the investment regime introduced by the PRC government.
In particular, it should be noted that although the PRC government has constantly reiterated its intention to maintain the stability of the Renminbi, the exchange rate has been very volatile in the past and it cannot be excluded that this will remain so in the future. Any devaluation of the Renminbi could adversely affect the net asset value of the Sub-Fund in question.
Further, accounting, auditing and financial reporting standards and practices applicable to companies in PRC may be different to those standards and practices applicable in other countries. For example, there may be differences in the valuation methods for properties and assets and in the requirements for disclosure of information to investors.
The legal system of PRC in general and for securities markets in particular has been undergoing a period of rapid change over recent years which may lead to difficulties in interpreting and applying newly evolving regulations. The revised securities law which came into force on 1 January 2006 has made a comprehensive revision to the previous regulatory framework relating to the issuing, listing and trading systems of securities.
The PRC government has implemented a number of tax reform policies in recent years. There can be no assurance that the current tax laws and regulations will not be revised or amended in future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of companies in the PRC.

Sustainability-related risks
Pursuant to the SFDR, financial market participants are required to disclose the manner in which Sustainability Risks (as defined hereafter) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Funds.
Sustainability risk is 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 investments made by the Sub-Funds ("**Sustainability Risk**").
Such risk is principally linked to climate-related events resulting from climate change (the so-called physical risks) or to the society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could affect the Sub-Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.
Sustainability Risks are integrated in the investment decision making and risk monitoring via the ESG Integration approach to the extent that they represent potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns of the Sub-Funds.
The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.
Such assessment of the likely impact must therefore be conducted at portfolio level.
Unless otherwise specified in Section "B. THE SUB-FUNDS", the Sub-Funds are highly diversified. Therefore, it is expected that the Sub-Funds will be exposed to a broad range of Sustainability Risks, which will differ from company to company. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.
If specified for each of the Sub-Funds in Section "B. THE SUB-FUNDS" a Sub-Fund might be exposed to the following specific risks which will usually have greater exposure to Sustainability Risks than others:

Europe

This Sub-Fund is exposed to risks related to the increasing regulatory requirements in Europe that results, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy may result in significant Sustainability Risks that might impede this Sub-Fund's assets business models, revenues and overall value. Such financial loss may be due to, for example, the changes in the regulatory framework like carbon pricing mechanisms, stricter energy efficiency standards, or policy and legal risks related to litigation claims or the transition to a low-carbon economy which may also negatively impact organizations via technological evolutions leading to the substitution of existing products and services by lower emissions options or the potential unsuccessful investment in new technologies made by this Sub-Fund.
In Europe the raising awareness of sustainability issues exposes this Sub-Fund to reputational risk linked to sustainability that can affect the Sub-Fund's assets directly, for example through name and shame campaigns by NGOs or consumer organizations. Stigmatization of an industry sector, shift in consumer preferences and increased shareholder concern/negative feedback resulting from growing concerns over climate change may negatively impact the Sub-Fund and the value of its investments.

Emerging Markets

This Sub-Fund is exposed to risks related to Emerging Markets which will usually have greater exposure to Sustainability Risks than others. For instance, governance risks are often more pronounced in Emerging Markets, materializing from a lack of maturity or corporate tenure or an often more concentrated ownership. Additionally, companies in many emerging markets are usually less transparent and deliver less robust disclosures resulting in a more challenging task for Investment Managers and external providers to identify and assess the materiality of eventual Sustainability Risks. Lag on labor and human rights practices, child labor, corruption are other examples of Sustainability Risks in Emerging Markets that could damage a company's reputation and earnings prospects, and increase the risk of regulatory scrutiny and restrictions. Such event could significantly impact the return of this Sub-Fund.

High Yield

This Sub-Fund is significantly exposed to the High-Yield market. High-Yield bonds are mostly issued by smaller companies which might be privately owned. Those smaller companies are usually less transparent and deliver less robust disclosures. The information scarcity results in a more challenging task of identifying and assessing the materiality of eventual Sustainability Risks.
Further details and specific information is given for each Sub-Funds in Section "B. THE SUB-FUNDS".

### 3.3 Investment Restrictions

The Board of Directors of the Company shall determine the investment policy of each Sub-Fund according to the principle of risk spreading.
On the basis of the 2010 Law the Board of Directors of the Company decided to approve the following investments:

1. Permitted investments
   The investments shall consist of:
   a) Transferable securities and money market instruments:
      - that are listed or traded on a regulated market (as defined in Article 41(1)(a) of the 2010 Law);
      - that are traded on another regulated market of a European Union (EU) member state that is recognised, open to the public and operates regularly;
      - that are officially listed on a stock exchange of a third country or traded on another regulated market of a third country that is recognised, open to the public and operates regularly;
      - that are newly issued, where the issuing conditions include the undertaking that admission to an official listing on a stock exchange or another regulated market that is recognised, open to the public and operates regularly will be applied for and that admission will be granted at the latest within one year of issue.
   b) Sight or call deposits with a maximum term of 12 months at an approved credit institution with its registered office in an EU or OECD member state or a country that has ratified the resolutions of the Financial Action Task Force (FATF) (an "Approved Credit Institution").
   c) Derivatives, including equivalent cash-settled instruments that are traded on a regulated market as described in the first, second or third indent under (a) above, and/or OTC derivatives, provided that:
      - the underlying assets consist of instruments covered by this paragraph or financial indices, interest rates, foreign exchange rates or currencies in which the Sub-Funds may invest according to their investment objectives;
      - the counterparties in OTC derivative transactions are institutions subject to prudential supervision belonging to categories approved by the Luxembourg Financial Supervisory Authority (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 Company's initiative.
   d) Shares/units of UCITS authorised under Directive 2009/65/EC and/or other undertakings for collective investment (UCIs) as defined in Article 1(2)(a) and (b) of Directive 2009/65/EC, with their

registered office in an EU Member State or a third country, provided that:

- such other UCIs are authorised under laws subjecting them to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between the authorities is sufficiently ensured;
- the level of protection for shareholders/unitholders of such other UCIs is equivalent to that provided for shareholders/unitholders of a UCITS, and in particular that the rules on asset segregation, borrowing, lending and short selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
- the business of such other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets, liabilities, income and operations over the reporting period;
- no more than 10% of the net asset value of the UCITS or other UCIs whose acquisition is contemplated may, according to their constitutional documents, be invested in aggregate in shares/units of other UCITS or other UCIs.

When the Company invests in shares/units of other UCITS and/or other UCIs that are managed directly or indirectly by the same Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the associated issue and redemption commissions incurred in respect of the Target Fund may not be charged to the Sub-Fund making the investment.

As regards the Sub-Funds which, in accordance with their investment policy, invest a major part of their assets in shares/units of other UCITS and/or other UCIs, the maximum management fees levied by the Sub-Fund itself, and by the other UCITS and/or UCIs in which it intends to invest, are stated in the annex relating to the Sub-Fund in question under the heading “Fees payable to the Management Company“.

According to the conditions permitted by the 2010 Law, each of the Sub-Funds of the Company may invest in one or more of the Company’s other Sub-Funds.

e) Money market instruments other than those traded on a regulated market that fall within the scope of Article 1 of the 2010 Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
   - issued or guaranteed by a central, regional or local authority or central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EU member states belong, or;
   - issued by a company, any of whose securities are traded on the regulated markets referred to under 1. (a) above, or;
   - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment that is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or;
   - issued by other bodies belonging to the categories approved by the CSSF, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second or third indent and provided that the issuer is a company whose equity capital amounts to at least EUR ten (10) million and that presents and publishes its annual accounts in accordance with Directive 2013/34/EU, or is an entity that, within a group of companies including one or more listed companies, is dedicated to financing the group or is an entity dedicated to financing securitisation vehicles that benefit from a banking liquidity line.

f) However:
   - the Company may invest no more than 10% of the net asset value of the Sub-Funds in transferable securities and money market instruments other than those referred to in (a) to (e) above;
   - the Company may invest no more than 10% of the net asset value of any Sub-Fund in Target Funds mentioned in 1. (d), unless the annex detailing a Sub-Fund expressly permits an additional investment in Target Funds; in particular, the annex of a Sub-Fund may stipulate that the Sub-Fund invests at least 85% of its assets in units or shares of another UCITS (or a Sub-Fund thereof) which is authorised under EU Directive 2009/65/EC, which is not itself a feeder pursuant to chapter 9 of the 2010 Law and which does not hold shares or units of any such feeder;
   - the Company may not acquire precious metals or certificates representing them.

g) The Company may hold ancillary liquid assets.

2. Risk diversification
   a) The Company may invest no more than 10% of the net asset value of any Sub-Fund in transferable securities or money market instruments issued by the same body. The Company may invest no more than 20% of the net asset value of any Sub-Fund in deposits made with the same institution.
   The Company’s risk exposure to a counterparty in an OTC derivative transaction may not exceed:

- 10% of the net asset value of each Sub-Fund when the counterparty is an authorised credit institution, or;
- 5% of the net asset value of each Sub-Fund in other cases.

The Company shall ensure that the overall exposure for each Sub-Fund relating to derivative instruments does not exceed the net asset value of the affected Sub-Fund in question. The exposure shall be calculated taking into account the market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The overall exposure of the underlying assets may not exceed the investment limits laid down in (a) to (f). In the case of index-based derivative instruments, the underlying assets need not observe these investment limits. Where a derivative is embedded in a transferable security or money market instrument, it must be taken into account when complying with the requirements of this point.

b) The total value of the transferable securities and money market instruments held by a Sub-Fund in issuing bodies, in each of which a Sub-Fund invests more than 5% of its net asset value, must not exceed 40% of its net asset value. This limit does not apply to deposits or OTC derivative transactions made with financial institutions subject to prudential supervision.

c) Notwithstanding the individual limits laid down under (a) above, a Sub-Fund may not combine in excess of 20% of its net asset value:
- investments in transferable securities or money market instruments issued by a single body;
- deposits made with that single body; and/or
- OTC derivatives purchased from that body.

d) The limit laid down in the first sentence of (a) may be raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state, by its local authorities, by a third country or by a public international body to which one or more member states belong.

e) The limit laid down in the first sentence of (a) may be raised to a maximum of 25% in the case of certain bonds when these are issued by a credit institution that has its registered office in an EU member state and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets that, during the whole period of validity of the bonds, are capable of covering the liabilities attached to the bonds and that, in the event of issuer default, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net asset value in the bonds referred to in the preceding paragraph, issued by one single issuer, the total value of these investments may not exceed 80% of the net asset value of the Sub-Fund.

f) The transferable securities and money market instruments referred to under (d) and (e) above shall not be taken into account for the purpose of applying the limit of 40% referred to under (b) above.

The limits provided for under (a) to (e) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with (a) to (e) shall under no circumstances exceed in total 35% of the net asset value of a Sub-Fund.

Companies that are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the above limits.

Cumulative investment in transferable securities and money market instruments within the same group is permitted up to a limit of 20% of the net asset value of a Sub-Fund.

**g) By way of derogation from points (a) to (f) above, the Company is authorised to invest, in accordance with the principle of risk spreading, up to 100% of the net asset value of a Sub-Fund in different transferable securities and money market instruments issued or guaranteed by any EU member state, its local authorities, an OECD member state, Brazil, Singapore or public international bodies of which one or more EU member states are members. Such a Sub-Fund must hold transferable securities from at least six different issues, but transferable securities from any single issue may not account for more than 30% of its net asset value.**

h) Without prejudice to the investment limits laid down under (j) below, the upper limit under (a) above may be raised to a maximum of 20% for investment in equities and/or debt securities issued by the same body when the aim of a Sub-Fund's investment strategy is to replicate the composition of a specific equity or debt securities index that is recognised by the CSSF, provided that:
- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- the index is published in an appropriate manner.

The limit for the preceding paragraph shall be 35% where this is justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. Investment up to this limit is only permitted in a single issuer.

i) A Sub-Fund may acquire shares/units of UCIs and/or UCITS referred to under 1. (d), provided that its investments in any one UCI and/or UCITS do not exceed 10% of its net asset value. Provided the liability of the assets of a Sub-Fund of an umbrella fund towards third parties is ensured, this 10% limit shall apply for such Sub-Funds.

j)

(A) The Company or the Management Company acting in connection with any of the investment funds it manages and that are classed as UCITS may not acquire any shares carrying voting rights that would enable it to exercise significant influence over the management of an issuer.

(B) Furthermore, the Company may acquire no more than:
- 10% of the non-voting shares of any single issuer;
- 10% of the debt securities of any single issuer;
- 25% of the shares/units of any single 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 if, at the time of acquisition, the gross amount of the debt securities or money market instruments, or the net amount of the instruments issued, cannot be calculated.

Application of paragraphs (A) and (B) shall be waived in regard to:
- transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a country which is not a member state of the European Union;
- transferable securities and money market instruments issued or guaranteed by public international bodies of which one or more EU member states are members;
- shares held by the Company in the capital of a company incorporated in a third country investing its assets mainly in the securities of issuing bodies having their registered offices in that country, where under the legislation of that country such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that country. This derogation, however, shall apply only if in its investment policy the company from the third country complies with the limits laid down under (a) to (f) and (i) to (j) (A) and (B). Where the limits set in (a) to (f) and (i) are exceeded, (k) shall apply mutatis mutandis;
- shares held by the Company, alone or jointly with other UCIs in the capital of subsidiary companies which, exclusively on its or their behalf provide management, advice or marketing services in the country where the subsidiary is located in regard to the redemption of shares at the request of shareholders.

k)

(A) The Company need not comply with the limits laid down in this section when exercising subscription rights attaching to transferable securities or money market instruments that form part of its assets. While ensuring observance of the principle of risk spreading, the Company may derogate from (a) to (h) and (i) above for six months following the date of its authorisation.

(B) If the limits referred to in paragraph (A) are exceeded for reasons beyond the control of the Company or a Sub-Fund or as a result of the exercise of subscription rights, the Company must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

l)

(A) The Company may not borrow, but may acquire foreign currency by means of “back-to-back” loans.

(B) By way of derogation from paragraph (A), the Company, acting on behalf of a Sub-Fund, may borrow (i) up to 10% of its net asset value, provided that the borrowing is on a temporary basis; (ii) up to 10% of its net asset value, provided that the loans are for the purpose of acquiring real estate essential for the direct pursuit of its business; these loans and those referred to in (A) may not in total exceed 15% of the relevant net asset value.

m) The Company or the Depositary may not guarantee any loans on behalf of Sub-Funds or act as guarantor for third parties, without prejudice to the application of Articles 41 and 42 of the 2010 Law. This will not prevent the Company from acquiring securities, money market instruments or other financial instruments referred to under 1. (c), (d) or (e) that are not fully paid up.

n) The Company or Depositary acting on behalf of the Sub-Funds may not carry out short sales of securities, money market instruments, shares/units of Target Funds or other financial instruments referred to under 1. (c), (d) or (e).

o) The Company may hold liquid assets for each Sub-Fund on an ancillary basis. Exceptions to this provision, for example in regard to holding liquid assets for investment purposes, are given in the annex for each Sub-Fund.
p) The Company may not invest in securities that entail unlimited liability.
q) The Fund's assets may not be invested in real estate, precious metals, precious metals contracts, commodities or commodity contracts. The Fund's assets may be invested in contracts on commodity indices, provided that the indices meet the criteria described in 2.(h) above.
r) The Company may adopt further investment restrictions in order to comply with conditions in any country in which its Shares are destined for sale.

### 3.4 Use of Derivatives and Techniques and Instruments

#### 3.4.1 Use of Derivatives

The Company may use financial derivative instruments (derivatives) for each Sub-Fund for the purposes of investment or hedging in accordance with 3.3.1. (c). Financial derivatives instruments include, but are not limited to, futures, options, swaps (interest rate swaps, currency swaps, total return swaps, credit default swaps, etc.), forwards, and contracts for differencies. It must at all times observe the investment restrictions laid down in part I of the 2010 Law and in section 3.3 "Investment restrictions", and in particular must take into account the securities underlying the derivatives and structured products used by the individual Sub-Funds (the "Underlying Securities") when calculating the investment limits described in the previous section. The Company shall ensure that its global exposure for each Sub-Fund relating to derivative instruments does not exceed the net asset value of the Sub-Fund in question. If the Value-at-Risk (VaR) approach is used to calculate the exposure from derivatives, it is possible, where appropriate, to deviate from this limit. The limits to be observed in this case (including leverage) are set out in the Sub-Fund-specific annexes to the prospectus. The Company shall at all times observe the investment limits laid down in the regulations applicable in Luxembourg and in the circulars of the Luxembourg supervisory authority. When using derivatives and structured products, the Company shall also ensure that each Sub-Fund maintains sufficient liquidity. There must always be sufficient cash positions to cover all liabilities incurred by the Sub-Fund as a result of using derivatives.
These transactions include options on transferable securities and other financial instruments, futures and forwards, as well as swaps.
**In principle, OTC transactions may only be conducted with counterparties approved by the Board of Directors. The limits specified in Article 43 (1) of the 2010 Law of 10% of the net asset value for transactions with qualified credit institutions and a maximum of 5% in all other cases shall be observed in each case. Where there are plans to conduct OTC transactions with a counterparty, such counterparty must have concluded an ISDA master agreement.**

#### 3.4.2 Derivatives to hedge against Currency Risks

The Company may within the scope of the law, its implementing regulations and management practice, use investment techniques and financial instruments intended to provide protection against foreign exchange risks.
For example, the Company may enter into currency futures contracts, sell call options or acquire put options where such transactions are traded on a regulated market or take place within the framework of OTC contracts, provided that the counterparties in such transactions are first-class financial institutions specialising in such transactions. For the same purpose the Company may conclude currency futures contracts or swap currencies by private contract with a first class financial institution specialised in these types of transactions.
The Company shall enter into currency transactions exclusively to hedge against currency risk, which also includes currency risk in relation to the benchmark of a Sub-Fund. The Company may also conclude foreign currency futures or transactions for a Sub-Fund in order to fix an exchange rate for the planned purchase or sale of securities or to hedge the value of portfolio securities, denominated in a different currency, in another currency that is exposed to the same fluctuations. The Company can also conclude cross-hedging transactions between currencies that are provided for under the normal investment policy.

#### 3.4.3 Techniques for efficient Portfolio Management

"Efficient Portfolio Management Techniques" is understood to mean the use of the following techniques:
- Securities lending
- Repurchase agreements
- Reverse repurchase agreements

The Company does not use any of these techniques.

#### 3.4.4 Collateral and reinvestment of Collateral

The Company may demand the provision of collateral in connection with derivative OTC transactions in order to reduce its counterparty risk. The following section sets out the rules applied by the Company for the management of collateral for the respective Sub-Funds.

<u>General rules</u>
Collateral accepted by the Company for the individual Sub-Fund may be used to reduce the counterparty risk to which the Company is exposed if this meets the requirements listed in the applicable laws, provisions and circulars issued by the CSSF in particular with regard to liquidity, valuation, quality in terms of the solvency of issuers, correlations, risks in terms of the management of collateral and enforceability. In accordance with the ESMA guidelines 2012/832 and 2014/937, the Company ensures sufficient diversification across countries, markets and issuers in terms of collateral. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the UCITS receives from a counterparty of Efficient Portfolio Management Techniques and over-the-counter financial derivative transactions a collateral basket with a maximum

exposure to a given issuer of 20% of its net asset value. When UCITS are exposed to different counterparties, the different collateral baskets should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-section, a UCITS 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 EU member states belong. These UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. The annex of the relevant Sub-Fund will state if a Sub-Fund is fully collateralised by securities issued or guaranteed by a EU member state. In this case, the annex will also state which EU member state, which local authorities or which public international body issued or guaranteed the securities which have been accepted as security for more than 20% of its net asset value.

<u>Amount of collateral</u>

The Company does not engage in techniques such as securities lending, repurchase agreements and reverse repurchase agreements; therefore the minimum requirements for collateral for this type of transaction do not apply pursuant to ESMA Guidelines 2014/937.

The Company only engages in OTC transactions on the condition that the default risk of the counterparty specified in Article 43 (1) of the 2010 Law may not exceed 10% of the net asset value for transactions with qualified credit institutions and 5% in all other cases. The extent of the counterparty risk is reduced by the collateral received and may not exceed the above limits. The Company will determine the necessary amount of collateral for derivative OTC transactions for the individual Sub-Fund in each case depending on the type and characteristics of the transactions carried out, the creditworthiness and identity of the counterparties and the individual market conditions, while complying with the above limits.

<u>Type of collateral and valuation discounts</u>

The Company accepts the following asset classes as collateral and for each asset employs a valuation discount in accordance with the range specified for each asset class:

a) Cash (no valuation discount in principle if provided in the Sub-Fund currency; the valuation discount amounts to between 0.5% and 5% of the face value in the case of foreign currencies),
b) Government bonds rated A- (S&P) or better, bonds issued or guaranteed by central banks and bonds issued or guaranteed by an EU member state or its public-sector entities, and bonds issued or guaranteed by a non-EU member state (valuation discount between 0.5% and 10% of the market value),
c) Corporate bonds rated A- (S&P) or better (valuation discount between 5% and 20% of the market value),
d) Equities (valuation discount of between 20% and 75% of the market value).

Collateral received is valued on each Valuation Day, taking due account of valuation discounts. The valuation discount applied to bonds is normally higher the longer the remaining term to maturity or the time remaining until the regular yield adjustments. Shares are generally accepted as collateral only if they are included in relevant equity indices.

It is possible to accept transactions involving OTC derivatives without demanding collateral from the counterparty.

<u>Reinvestment of collateral</u>

Cash collateral accepted for the individual Sub-Fund may only be invested in liquid assets in accordance with the provisions of the Luxembourg law and the applicable provisions in particular of the ESMA Guidelines 2014/937, which were implemented through CSSF Circular 14/592. All reinvestment of cash collateral must be sufficiently diversified in terms of countries, markets and issuers, with maximum exposure to a specific issuer of 20% of the net asset value of the individual Sub-Fund.

Furthermore, the individual Sub-Fund may suffer losses due to the reinvestment of the cash collateral. Such losses may result from an impairment of the investments made using the cash collateral. An impairment of the investments made using the cash collateral may result in a reduction in the amount of collateral available for repayment by the individual Sub-Fund to the counterparty after completion of the transaction. In this instance the individual Sub-Fund is obliged to bear the difference in value between the collateral originally received and the amount actually available for repayment to the counterparty, resulting in a loss for the individual Sub-Fund.

## 4. Company, General Meeting and Reporting

### 4.1 The Company

The Company is organised as an open-ended investment company (*société d'investissement à capital variable*) incorporated in the Grand Duchy of Luxembourg under the 1915 Law and qualifies as an undertaking for the collective investment in transferable securities under the 2010 Law. It was incorporated on 20 May 2015 by the issue of 500 accumulation Shares without par value at USD 100. The minimum capital of the Company is EUR 1,250,000, which has been reached within six months of the date of registration as a UCITS in the Grand Duchy of Luxembourg.

If the capital of the Company falls below two thirds of the legal minimum capital, the Board of Directors shall convene a general meeting of shareholders within 40 days, for which no quorum is required, at which the liquidation of the Company shall be proposed; this may be decided by a simple majority of the Shares present or represented.

If the capital of the Company falls below one quarter of the legal minimum capital, the Board of Directors shall, at a general meeting of shareholders to be convened within the same period and for which no quorum is required, submit a proposal to liquidate the Company; this may be approved by shareholders representing one quarter of the Shares present or represented at such meeting.

The Company is registered under B 197.037 in the Luxembourg Trade and Companies Register. The articles of incorporation were published in the "Mémorial" in Luxembourg on 3 June 2015. The Company has its registered office at 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg.

Each Sub-Fund is liable towards third parties with its own assets, only in respect of its own liabilities. As far as the relationship between shareholders is concerned, each Sub-Fund is treated as a separate entity and the liabilities of a Sub-Fund are attributed to that Sub-Fund in the net asset value calculation. Costs borne by the Company but which cannot be allocated to a single Sub-Fund will be charged to the individual Sub-Funds in proportion to their net assets.

The Board of Directors of the Company has appointed the Management Company named in section 2. "Organisation and management" to supervise and coordinate the activities of the Company. The Management Company shall supervise and coordinate the tasks assigned to the different service providers and ensure that an appropriate risk management method for the Company is used, in accordance with CSSF Circular 11/512.

Any voluntary or forced liquidation of the Company shall be effected in accordance with the provisions of Luxembourg law. Distribution of liquidation proceeds becoming available for remittance to the shareholders shall be effected pro rata to their Shares. Any liquidation proceeds that are not claimed by those entitled thereto at the close of liquidation shall be deposited at the Caisse de Consignation in Luxembourg pursuant to Article 146 of the 2010 Law and shall be forfeited after 30 years.

### 4.2 General Meeting and Reporting

The general meeting of shareholders of the Company will be held in Luxembourg each year at 11:00 on the last Friday in August. If this day is not a bank business day, the annual general meeting will be held on the next bank business day in Luxembourg. Other general meetings or general meetings relating to specific Sub-Funds may be held at such time and place as indicated in the notices to attend such meetings.

Notices of general meetings are given in accordance with Luxembourg law. Notices may be published in the "Recueil électronique des sociétés et associations (RESA)", in the "Luxemburger Wort" and in other newspapers in the countries where the Shares are registered for public offer and sale, as determined by the Company. Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements.

Other notices to shareholders may be published in countries where the Shares are authorised for distribution to the public.

Financial periods end on 30 April of each year. The annual report containing the audited consolidated financial accounts of the Company will be made available at its registered office at least 15 days before the annual general meeting. Unaudited semi-annual reports will be made available within two months of the relevant date. Copies of all reports are available at the registered office of the Company.

### 4.3 Documents for Inspection

Copies of the following documents may be inspected at the registered office of the Company on normal bank business days in Luxembourg (i.e. each day on which banks are open during normal business hours):

(a) the Management Company Services Agreement, the Depositary Bank and Principal Paying Agent Agreement, the Administration Agency Agreement, and the Domiciliary and Corporate Agency Agreement;

(b) the articles of incorporation of the Company.

The agreements under (a) above may be amended by mutual consent of the parties thereto.

### 4.4 Changes to this Prospectus

The Board of Directors, in close cooperation with the Management Company, may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Company, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or share class. Any amendment of this Prospectus will require approval by the CSSF. In accordance with applicable laws and regulations, investors in the Sub-Fund or share class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. The Company may notify non-material amendments to the prospectus via information on its website (https://www.jsafrasarasin.com/en/company/locations/country-pages/Fund-Management-Luxembourg-SA.html).

## 5. Participation in the Company

### 5.1 Description of Shares

Shares of the Company have no par value and are issued in registered form and in fractions of registered Shares, rounded to three decimal places.

Ownership of registered Shares is evidenced by an entry in the Share register kept by the Company at its registered office in Luxembourg.

When the share classes of the Company's Sub-Funds are issued, the Board of Directors may decide to have them listed on the Luxembourg stock exchange.

The Company's articles of incorporation permit the issue of different share classes for each Sub-Fund. The Company may offer the following types of share classes:

**P**

Shares of share classes with "P" in the name are offered to all investors.

Min. initial subscription amount: none
Taxe d'abonnement: 0.05% p.a.
Max. issuing commission: 3%
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.

Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**C**

Shares of share classes with "C" in the name may only be purchased by financial intermediaries subscribing on behalf of investors domiciled or serviced in the European Economic Area (EEA), the United Kingdom and Gibraltar as well as by investors and financial intermediaries outside the EEA subscribing on the basis of a discretionary portfolio management or advisory mandate, provided a written agreement with the Management Company or the distributors is in place. The Board of Directors and the Management Committee of the Management Company may extend the list of eligible investor domiciles and admit other groups of investors at its own discretion. If the designation "C" is combined with "1", indicating a certain minimum investment amount, such minimum does not apply for the distribution by fund platforms domiciled in the UK and Ireland or to third parties subscribing upon facilitation by any such fund platform, where such facilitation is communicated to the transfer agent prior to subscription.
Min. initial subscription amount: none
Taxe d'abonnement: 0.05% p.a.
Max. issuing commission: 3%
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**I**

Shares of share classes with "I" in the name may only be purchased by institutional investors as referred to in Article 174(2)(c) of the 2010 Law. Shares of share classes with "I" in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase if the investor no longer meets the requirements for the share class with "I" in the name.
Unless further specified in the table "Additional Characteristics" below a minimum initial subscription amount is required as follows:

- CHF, USD, EUR and GBP: 1 million
- AUD: 1.5 million
- SEK, NOK and DKK: 10 million
- HKD: 8 million
- SGD: 1.5 million
- JPY: 100 million

Above minimum initial investment amounts do not apply to J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or their subsidiaries or affiliated companies as well as other credit institutions performing fund subscriptions in their own name but on behalf of their own customers and placed in the exercise of asset management mandates for subscriptions placed in the exercise of asset management mandates for their clients. The Board of Directors and the Management Committee of the Management Company may waive in their own discretion and under certain conditions the minimum initial subscription amounts for "I" share classes.
Taxe d'abonnement: 0.01% p.a.
Max. issuing commission: none
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**Y**

Shares of share classes with "Y" in the name may only be purchased by private investors who have concluded an asset management mandate with a business unit of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies.
If the investor no longer meets the requirements for the share class with "Y" in the name, Shares of share classes with "Y" in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase. Min. initial subscription amount: none
Taxe d'abonnement: 0.05% p.a.
Max. issuing commission: none
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**M**

Shares of share classes with "M" in the name may only be purchased by institutional investors as referred to in Article 174(2)(c) of the 2010 Law that have concluded an asset management agreement or a special agreement for investment in Sub-Funds of the Company with a business unit of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies. Asset management and distribution costs are charged to investors in share class "M" in accordance with the aforementioned agreements. The competence for collection of relevant fees is expressly provided for in the agreements between the Management Company and the asset manager and between the Management Company and the bank. In the case of share class "M" with a management fee of 0.00%, the Management Company is reimbursed the management costs based on a separate contractual agreement with J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies. If the asset management contract or special agreement in question is terminated, Shares of share classes with "M" in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase.
Min. initial subscription amount: none

Taxe d'abonnement: 0.01% p.a.
Max. issuing commission: none
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**BM-P**

Shares of share classes with "BM-P" in the name may solely be offered by the strategic distribution partner, Banca March S.A., its subsidiaries and branches and by its appointed sub-distributor(s) to all investors.
Min. initial subscription amount: none
Taxe d'abonnement: 0.05% p.a.
Max. issuing commission: 3%
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**BM-I**

Shares of share classes with "BM-I" in the name may only be purchased by institutional investors as referred to in Article 174(2)(c) of the 2010 Law to whom the shares are offered solely by the strategic distribution partner, Banca March S.A., its subsidiaries and branches and by its appointed sub-distributor(s). Shares of share classes with "BM-I" in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase if the investor no longer meets the requirements for the share class with "BM-I" in the name.
Unless further specified in the table "Additional Characteristics" below a minimum initial subscription amount is required as follows:
USD, EUR: 1 million Taxe d'abonnement: 0.01% p.a.
Max. issuing commission: none
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**BM-X**

Shares of share classes with "BM-X" in the name may only be purchased by investors who have concluded a discretionary portfolio management or advisory mandate with the strategic distribution partner of the Management Company, Banca March S.A., its subsidiaries and branches. Shares of share classes with "BM-X" in the name are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase if the investor no longer meets the requirements for the share class with "BM-X" in the name.
Min. initial subscription amount: none
Taxe d'abonnement: 0.05% p.a.
Max. issuing commission: none
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**S**

Shares of share classes with "S" in the name may only be purchased by investors who have concluded an asset management mandate with Sarasin & Partners LLP, London, or one of its branches, subsidiaries of affiliated companies.
Min. initial subscription amount: none
Taxe d'abonnement: 0.05% p.a.
Max. issuing commission: none
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

**E**

Shares of share classes with "E" in the name may only be purchased by certain clients at the discretion of J. Safra Sarasin Holding AG, Basel, or Bank J. Safra Sarasin AG, Basel, or one of their subsidiaries or affiliated companies.
If the designation "E" is combined with "I" in the name such shares may only be purchased by institutional investors as referred to in Article 174(2)(c) of the 2010 Law. If the investor no longer meets the requirements for the share class with "I" in the name, shares of these share classes are either automatically redeemed or converted as instructed by the investor into another share class for which the investor meets the requirements of purchase.

Such share classes may be issued for a limited period of time.

The following terms apply:

"E":
Min. initial subscription amount: none
Taxe d'abonnement: 0.05% p.a.
Max. issuing commission: 3%
Max. redemption commission(*): none
Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex

"EI":
Min. initial subscription amount: as specified for share class "I"*
Taxe d'abonnement: 0.01% p.a.
Max. issuing commission: none
Max. redemption commission(*): none

Max. redemption fee(**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex
***** The minimum investment amount specified for "I" does not apply for the distribution by fund platforms domiciled in the UK and Ireland or to third parties subscribing upon facilitation by any such fund platform, where such facilitation is communicated to the Transfer Agent prior to subscription.

**F**

Share classes with the "F" in the name are reserved for collective investment schemes that are managed directly or indirectly by the Management Company itself or a company to which it is related by virtue of common management or control or by a significant direct or indirect interest ("related target funds"). The Board of Directors and the Management Committee of the Management Company may extend the list of eligible investors and admit other groups of institutional investors as referred to in Article 174(2)(c) of the 2010 Law at its own discretion.
Min. initial subscription amount: none
Taxe d'abonnement: 0.01% p.a.
Max. issuing commission: none
Max. redemption commission (*): none
Max. redemption fee (**): see Sub-Fund's specific annex
Max. annual service fee: 0.25% p.a.
Max. management fee: see Schedule III
Performance fee: see Sub-Fund's specific annex
(*) In favour of the distributor.
(**) In favour of the Sub-Fund to cover the transaction costs incurred as a result of Share redemptions.

**Additional characteristics:**

**Currencies**

Share classes may be denominated in CHF, USD, EUR, GBP, AUD, SEK, NOK, DKK, HKD, SGD and JPY.

**„acc"**

For share classes with „acc" in the name, the Company does not pay out any dividends to shareholders. Income from these share classes is currently reinvested (accumulation).

**„dist"**

For share classes with „dist" in the name, the Company pays out dividends pursuant to section 5.2 "Dividend Policy" of this prospectus.

**"tdist"**

Share classes with "tdist" in the name may make distributions based on an estimate of the Sub-Fund's annual total return before deduction of fees and expenses. It prioritises dividend payments over capital growth and will typically distribute more than the income earned (as long as the conditions described under section 5.2 "Dividend Policy" are fulfilled). The distribution is regularly reviewed and may be adjusted to reflect changes in the portfolio's expected total return.

These share classes are suitable for investors who wish for more stable distributions, independent of the income earned. Distributions may thus also be made from the capital. Distributions out of capital result in the reduction of an investor's original capital invested in the Sub-Fund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund shares. Investors should consult qualified experts for tax advice regarding their individual situation.

**"gdist"**

Shares with "gdist" in the name may make distributions based on an estimate of the Sub-Fund's annual gross income before deduction of annual fees and expenses. It prioritises dividend payments over capital growth and will typically distribute more than the income earned (as long as the conditions described under section 5.2 "Dividend Policy" are fulfilled). The distribution is regularly reviewed and may be adjusted to reflect changes in the portfolio's expected gross income.
These share classes are suitable for investors who wish for more stable distributions, independent of the income earned. Distributions may thus also be made from the capital. Distributions out of capital result in the reduction of an investor's original capital invested in the Sub-Fund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund shares. Investors should consult qualified experts for tax advice regarding their individual situation.

**„hedged"**

For share classes with "hedged" in the name which are denominated in a currency other than the Accounting Currency of the Sub-Fund, currency transactions and currency futures contracts are entered into in order to largely hedge the net asset value of the Sub-Fund calculated in the Accounting Currency against the net asset value of the share classes denominated in other currencies ("net asset value hedge"). If the Reference Currency of a share class corresponds to the Accounting Currency of the Sub-Fund, the addition of "hedged" means that the currency risks of the investments are largely hedged against the Reference Currency. However, the possibility of currency fluctuations working to the disadvantage of the corresponding share classes of the individual Sub-Fund cannot be ruled out.

**„H1"**

For share classes with 'H1' in the name which are denominated in a currency other than the Accounting Currency of the Sub-Fund, currency transactions and currency futures contracts are entered into in order to hedge the Sub-Fund's investments against the accounting currency of the share class ("portfolio hedge"). The aim is to minimise the effect of currency movements between the portfolio's holdings and the relevant hedged share class denomination currency, with the exception of currencies where it is impractical or not cost effective to do so. However, the possibility of currency fluctuations working to the disadvantage of the corresponding share classes of the individual Sub-Fund cannot be ruled out.

**"H2"**

For share classes with 'H2' in the name which are denominated in a currency other than the Accounting Currency of the Sub-Fund, currency transactions and currency futures contracts are entered into in order to hedge a part of the Sub-Fund's investments against the accounting currency of the share class ("partial portfolio hedge"). The applicable hedge ratio will be disclosed in the relevant Sub-Fund specific annex. Furthermore, this type of share class may also be issued for Sub-Funds which invest across a range of asset classes and in which only the currency risks arising from fixed income investments (incl. money market instruments) are hedged (i.e. instead of the application of a fixed hedge ratio). The currency risks of fixed income investments typically account for a major part of their overall risk. The aim is to minimise the effect of currency movements between the portfolio's fixed income holdings and the relevant hedged share class denomination currency, with the exception of currencies where it is impractical or not cost effective to do so. However, the possibility of currency fluctuations working to the disadvantage of the corresponding share classes of the individual Sub-Fund cannot be ruled out.

**USD (BRL hedged)**

For share classes with "USD (BRL hedged)" in the name the Company intends to minimise the shareholder's currency risk by reducing the effect of exchange rate fluctuations between the BRL and the USD ("net asset value hedge"). The settlement currency for subscriptions and redemptions relating to the "USD (BRL hedged)" share classes is the USD.

**USD (BRL H1)**

For share classes with "USD (BRL H1)" in the name the Company intends to limit the shareholder's currency risk by reducing the effect of exchange rate fluctuations between the BRL and the portfolio's holdings ("portfolio hedge"). The settlement currency for subscriptions and redemptions relating to the "USD (BRL H1)" share classes is the USD.

**1**

For shares of share classes with "1" in the name a minimum initial subscription amount is required as follows:

- CHF, USD, EUR and GBP: 1 million
- AUD: 4.5 million
- SEK, NOK and DKK: 10 million
- HKD: 8 million
- SGD: 1.5 million
- JPY: 100 million

The Board of Directors and the Management Committee of the Management Company may waive the minimum initial subscription amount at its own discretion.

**3**

For shares of share classes with "3" in the name a minimum initial subscription amount is required as follows:

- CHF, USD, EUR and GBP: 3 million
- AUD: 4.5million
- SEK, NOK and DKK: 30 million
- HKD: 24 million
- SGD: 4.5 million
- JPY: 300 million

The Board of Directors and the Management Committee of the Management Company may waive the minimum initial subscription amount at its own discretion.

**10**

For shares of share classes with "10" in the name a minimum initial subscription amount is required as follows:

- CHF, USD, EUR and GBP: 10 million
- AUD: 15 million
- SEK, NOK and DKK: 100 million
- HKD: 80 million
- SGD: 15 million
- JPY: 1 billion

The Board of Directors and the Management Committee of the Management Company may waive the minimum initial subscription amount at its own discretion.

**30**

For shares of share classes with "30" in the name a minimum initial subscription amount is required as follows:

- CHF, USD, EUR and GBP: 30 million
- AUD: 45 million
- SEK, NOK and DKK: 300 million
- HKD: 240 million
- SGD: 45 million
- JPY: 3 billion

The Board of Directors and the Management Committee of the Management Company may waive the minimum initial subscription amount at its own discretion.

**50**

For shares of share classes with "50" in the name a minimum initial subscription amount is required as follows:

- CHF, USD, EUR and GBP: 50 million
- AUD: 75 million
- SEK, NOK, and DKK: 500 million
- HKD: 400 million
- SGD: 75 million
- JPY: 5 billion

The Board of Directors and the Management Committee of the Management Company may waive the minimum initial subscription amount at its own discretion.

Each Sub-Fund may launch the share classes with the additional characteristics as listed in this section 5.1. A new share class to be launched needs to be notified in advance to the CSSF for registration purposes. The overview of the available share classes per Sub-Fund is published under http://fund-management-lu.jsafrasarasin.com/internet/fmlu. Management Fees per type of share class are mentioned in Schedule III.
They are also provided in the annual and semi-annual reports.

**100**

For shares of share classes with "100" in the name a minimum initial subscription amount is required as follows:
- CHF, USD, EUR and GBP: 100 million
- AUD: 150 million
- SEK, NOK and DKK: 1000 million
- NOK: 1000 million
- HKD: 800 million
- SGD: 150 million
- JPY: 10 billion

The Board of Directors and the Management Committee of the Management Company may waive the minimum initial subscription amount at its own discretion.

### 5.2 Dividend Policy

Each Share or fraction of a Share is entitled to a corresponding portion of the profits and the liquidation proceeds of the Company or the relevant Sub-Fund.
Every year, the Company intends to pay out at least 85% of the investment income, less general expenses ("Ordinary Net Income"), to shareholders holding Shares of distribution share classes in accordance with section 5.1 "Description of Shares", as well as a portion of the realised capital gains, less realised capital losses ("Net Capital Gains"), such portion being decided by the general meeting of the relevant Sub-Fund, as well as all other extraordinary income. For certain types of distribution share classes as set out in section 5.1 "Description of Shares" the whole available income and/or the (realised or as yet unrealised) gains and/or the capital attributable to such share classes may be considered for distribution as long as the Company's minimum capital is not affected. If the distributable profits of a Sub-Fund for a financial year fall below 1% of the net asset value of a Share at the end of the corresponding financial year and under EUR/CHF/USD/1, the Board of Directors of the Company may propose to the general meeting of shareholders to waive a distribution of dividends, in view of the considerable costs for the Sub-Funds and the investors in the aforementioned distribution share classes related to a dividend distribution.
The Company does not pay out any dividends to shareholders holding Shares of accumulation share classes in accordance with section 5.1 "Description of Shares". Income from those share classes is currently reinvested (accumulation).

### 5.3 Issue and Sale of Shares and Subscription Procedure and Registration

Unless otherwise specified in the corresponding annex for a particular Sub-Fund, Shares are offered for sale and issued on each Valuation Day after the initial offering date at the issue price applicable on the relevant issue date, provided the subscription request is received by the transfer agent no later than 12:00 Luxembourg time (the "Acceptance Cut-Off Time") on the Valuation Day.
Earlier acceptance closing times may apply to applications placed with distributors abroad in order to ensure punctual forwarding to the transfer agent. Information on these times is available at the respective distributor.
The issue price will always be determined after the Acceptance Cut-Off Time to ensure that investors subscribe on the basis of unknown prices. Subscription requests received by the transfer agent after the Acceptance Cut-Off Time shall be executed at the issue price applicable on the next Valuation Day.
Unless otherwise agreed in the specific annex of the Sub-Fund for a certain Sub-Fund, subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within 3 bank business days of the issue date.
Information about certain subscription periods that must be observed for subscribing for Sub-Funds is contained in the annex for each Sub-Fund.
The issue price per share and share class is calculated on the basis of the net asset value per share and share class applicable on the issue date, plus, unless otherwise disclosed in the specific Sub-Fund's annex an issue commission and, if applicable, possible dilution protection for the benefit of the individual Sub-Fund. The maximum issue commission and dilution protection, where levied, are listed in the respective annexes to this prospectus.
A fee for the prevention of dilution (dilution protection) may be levied in the following instances:
- Where net subscriptions and redemptions for all share classes on an order day exceed the percentage of the Sub-Fund's net assets specified by resolution of the Board of Directors, the net asset value of all share classes may be increased by a certain percentage in the event of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions.
- Similarly, in the event of adverse market conditions (e.g. increased volatility on markets, increased bid/ask spreads, decline in volumes traded), the net asset value for all share classes can be increased by a certain percentage in the case of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions, even if net subscriptions and redemptions for all share classes on a particular order day do not exceed the percentage of the Sub-Fund's net assets specified by resolution of the Board of Directors.

This fee, which is credited to the Sub-Fund concerned, will be used to cover transaction costs (including bid/ask spreads)

with the aim of protecting existing/remaining investors from any dilutive effect. Information about whether dilution protection is used, and about the maximum level of dilution protection, is contained in the annex for each Sub-Fund.
Further information on the issue price may be requested from the registered office of the Company and/or from any distributor.
In the case of large subscriptions, the distributors and the Company may waive, in whole or in part, the issue commission to which they are entitled.
Subscription requests may be sent to the Management Company or to any other distributor, which will transmit these to the Company, or may be sent directly to the transfer agent in Luxembourg. The proper identity of the subscriber and the relevant Sub-Fund(s) and share class must be indicated. In addition, the provisions of section 5.10 “Unfair trading practices - Prevention of money laundering” must be observed. The issue price must be paid in the Accounting Currency of the relevant Sub-Fund. If subscription monies are transferred in currencies other than the respective Accounting Currency, the investor bears both the corresponding costs and the exchange rate risk and currency risk linked to the currency conversion carried out by the paying agent or Depositary.
Subscribers or shareholders may also directly contact CACEIS Bank, Luxembourg Branch, a public limited company with registered offices at 5, Allée Scheffer, L-2520 Luxembourg, which effectively performs either all or part of the central administration tasks.
Investors may also subscribe Shares as part of a regular savings plan, by paying regular instalments of a fixed amount. The savings plan is offered by Bank J. Safra Sarasin AG, Basel, and marketed through selected, but not all, distributors. Investors can obtain the terms and conditions of the savings plan from Bank J. Safra Sarasin AG, Basel.
Additional points to note:

(a) In the case of joint subscribers, all subscribers must sign the request form.
(b) In the case of several joint subscribers, the Company shall be authorised to accept voting rights, conversion or redemption instructions from the first named subscriber and also to pay dividends on distribution Shares to him, unless written instructions to the contrary are given.
(c) A legal entity must submit its request under its own name through a person duly authorised for this purpose, providing proof of his signatory power.
(d) If any request or confirmation is signed by a proxy, the power of attorney must accompany the request.
(e) Notwithstanding (a), (b), (c) and (d), a request signed by a bank may be accepted.

The Company has the right to reject any request without reason. It reserves the right, in response to the conditions prevailing on the stock exchanges or currency markets or for any other reasons, to suspend the public sale of its Shares. In both cases, any payments already made and/or positive balances will be returned to the subscribers.

### 5.4 Redemption of Shares

Unless otherwise specified for a particular Sub-Fund, requests for the redemption of Shares must be submitted by shareholders in writing directly to the transfer agent no later than 12:00 Luxembourg time (the “Redemption Cut-Off Time”) on the Valuation Day when the Shares are to be redeemed. Requests received by the transfer agent after the Redemption Cut-Off Time shall be executed on the next Valuation Day.
A redemption request duly made shall be irrevocable, except in case of and during any period of suspension or deferral of redemptions.
Information about certain redemption periods that must be observed for redeeming Shares of a Sub-Fund is contained in the annex for each Sub-Fund.
The price to be paid in respect of each Share submitted for redemption (the “Redemption Price”) will be the net asset value per share and share class on the Valuation Day of the relevant Sub-Fund, less a fee in favour of the Sub-Fund to cover the costs of selling portfolio securities to procure liquidity to meet redemption requests, that will be equally processed on the Valuation Days. The maximum redemption fee and dilution protection can be found in the respective annexes to this prospectus.
A fee for the prevention of dilution (dilution protection) may be levied in the following instances:

- Where net subscriptions and redemptions for all share classes on an order day exceed the percentage of the Sub-Fund’s net assets specified by resolution of the Board of Directors, the net asset value of all share classes may be increased by a certain percentage in the event of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions.
- Similarly, in the event of adverse market conditions (e.g. increased volatility on markets, increased bid/ask spreads, decline in volumes traded), the net asset value for all share classes can be increased by a certain percentage in the case of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions, even if net subscriptions and redemptions for all share classes on a particular order day do not exceed the percentage of the Sub-Fund’s net assets specified by resolution of the Board of Directors.

This fee, which is credited to the Sub-Fund concerned, will be used to cover transaction costs (including bid/ask spreads) with the aim of protecting existing/remaining investors from any dilutive effect. Information about whether dilution protection is used, and about the maximum level of dilution protection, is contained in the annex for each Sub-Fund.
In the event of a suspension of the calculation of the Net Asset Value or a deferral of redemptions, Shares shall be redeemed on the next Valuation Day following the end of the suspension of the Net Asset Value calculation or the end of the deferral of

redemptions, unless the redemption request has been withdrawn in writing prior thereto.
Unless otherwise stated in the annex for a particular Sub-Fund, payments will ordinarily be made within three business days of the relevant Valuation Day in the currency in which the relevant share class is denominated. If payments are transferred in a currency other than the respective Accounting Currency, the investor bears both the corresponding costs and the exchange rate risk and currency risk linked to the currency conversion carried out by the paying agent or Depositary. In the case of redemptions, should the liquidity of the investments of a Sub-Fund not be sufficient to make the payment within this period due to exceptional circumstances, the payment shall be made as soon as possible, without interest. When making the transfer, is it possible that correspondent banks may levy charges on the transaction.
The conversion of Shares of a Sub-Fund shall in this respect be considered as a redemption of Shares. If on any Valuation Day the Company receives redemption or conversion requests for more than 10% of the Shares, the Company may defer redemptions or conversions. The subscriber will be informed forthwith of any suspension of the calculation of the net asset value or of a deferral of redemptions or conversions and he is entitled in such case to withdraw his request.
The value of Shares at the time of their redemption may be more or less than their acquisition cost. Any Shares redeemed will be cancelled.
The last known Redemption Price may be requested at the registered office of the Company or from any distributor.
In special cases, at the request of or with the consent of the shareholder, the Redemption Price can be paid by means of a distribution in kind (payment in kind), whereby the equality of shareholders must be ensured. The costs arising from a payment in kind are billed to the relevant shareholder.

### 5.5 Conversion of Shares

Shareholders of each Sub-Fund are entitled to convert some or all of their Shares into Shares of another Sub-Fund or from one share class into another share class of the same Sub-Fund on any day which is a Valuation Day for both of the Sub-Funds concerned, provided they meet the requirements of the share class to which they wish to change. Requests should be made to one of the distributors or the transfer agent. The request must include the following information: the number of Shares, the name of the existing Sub-Fund (including share class) and the new Sub-Fund (including share class) and, if allocating Shares to more than one new Sub-Fund, the respective proportions to be invested in each Sub-Fund.
Unless specific subscription and redemption periods have to be observed for the subscription and redemption of Shares of a Sub-Fund, information is contained in the annex for each Sub-Fund and is also generally observed when the Shares are converted. If the period for subscriptions and redemptions is not the same, then the longest period of the two applies for both subscriptions and redemptions.

Unless otherwise specified in the corresponding annex for a particular Sub-Fund, Shares may be converted on each Valuation Day at the issue price applicable on such day, provided that the conversion request is received by the transfer agent by 12:00 Luxembourg time on the Valuation Day. Conversion orders received by the transfer agent after the cut-off time shall be executed on the next Valuation Day. The basis for conversion is related to the respective net asset value per share of the Sub-Fund concerned. The Company will determine the number of Shares into which a shareholder intends to convert his existing Shares in accordance with the following formula:

$$A = \frac{(B \times C) \times F - \text{max. } 3\%}{D}$$

A = the number of Shares of the new Sub-Fund or share class to be issued;
B = the number of Shares of the former Sub-Fund or share class;
C = the Redemption Price per share of the former Sub-Fund in the corresponding share class, less redemption fees, if deducted;
D = the net asset value per share of the new Sub-Fund in the corresponding share class, plus any fees for reinvestment, if charged;
F = exchange rate.

Redemption fees and/or fees for reinvestment on a Valuation Day depend on the status of liquidity of the corresponding Sub-Fund(s) and shall not exceed 3%. Where applicable, they shall be charged on a Valuation Day in the same way for all requests processed at that time.
A fee for the prevention of dilution (dilution protection) may be levied in the following instances:

- Where net subscriptions and redemptions for all share classes on an order day exceed the percentage of the Sub-Fund's net assets specified by resolution of the Board of Directors, the net asset value of all share classes may be increased by a certain percentage in the event of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions.
- Similarly, in the event of adverse market conditions (e.g. increased volatility on markets, increased bid/ask spreads, decline in volumes traded), the net asset value for all share classes can be increased by a certain percentage in the case of a surplus of subscriptions and reduced by a certain percentage in the case of a surplus of redemptions, even if net subscriptions and redemptions for all share classes on a particular order day do not exceed the percentage of the Sub-Fund's net assets specified by resolution of the Board of Directors.

This fee, which is credited to the Sub-Fund concerned, will be used to cover transaction costs (including bid/ask spreads) with the aim of protecting existing/remaining investors from any dilutive effect. Information about whether dilution protection is used, and about the maximum level of dilution protection, is contained in the annex for each Sub-Fund.

### 5.6 Closure and Merger

In the event that the net asset value of all outstanding Shares of a specific Sub-Fund falls below EUR 20 million or the equivalent amount in the currency of the Sub-Fund in question for whatever reason, or where it considers it appropriate due to changes in the economic or political situation which have implications for the Sub-Fund concerned, or on the basis of the interests of the shareholders involved, the Board of Directors may decide, and notify the holders of Shares in the relevant Sub-Fund accordingly, to redeem all of the Shares of the relevant Sub-Fund at the net asset value applicable on a given Valuation Day after written notice is given (less liquidation costs and/or the estimated dealing costs as described in the prospectus) without charging a redemption fee.

The closure of a Sub-Fund with compulsory redemption of all relevant Shares for reasons other than those referred to above may only be effected with the approval of the shareholders of the Sub-Fund concerned. For this, a duly convened meeting of the shareholders of this Sub-Fund is required. It may be validly held without quorum and a decision taken on the basis of the simple majority of the Shares present or represented.

Liquidation proceeds not claimed by shareholders at the close of liquidation of a Sub-Fund shall be deposited at the “Caisse de Consignation” in Luxembourg and shall be forfeited after 30 years.

The Board of Directors may furthermore, in compliance with the 2010 Law, merge the assets of a Sub-Fund with another of the Company’s Sub-Funds or with the assets of another UCITS (which is registered in Luxembourg or in another EU member state and has been set up either as an investment company or as a common fund – “fonds commun de placement”), or with the assets of a sub-fund of another such UCITS. The Company will inform the investors in the Sub-Funds in question accordingly in compliance with the 2010 Law and CSSF Regulation 10-5. Any investor in the Sub-Funds concerned may demand the redemption or conversion, without charge (except selling costs), of his or her Shares for a period of at least 30 days before the effective date of the merger, with the merger then taking effect five working days after the end of this period.

Any merger that will result in the Company as a whole ceasing to exist must be resolved upon by the shareholders of the Company. A general meeting convened for this purpose will not be subject to any quorum requirements and may adopt such a resolution with a simple majority of the votes represented and cast at that meeting.

### 5.7 Calculation of the Net Asset Value

The net asset value of the Company’s assets (the “Net Asset Value”) and the net asset value per share of each share class of each Sub-Fund will be determined in the relevant currency on each day banks are open for business in Luxembourg and any other location if and as specified in the annexes to the prospectus for the individual Sub-Funds (hereinafter the “Valuation Day”), except in the event of a suspension as described in section 5.8 “Suspension of the calculation of the Net Asset Value and of the issue, redemption and conversion of Shares”, by the domiciliary agent entrusted with the central administration in Luxembourg, under the supervision of the Board of Directors or its delegate.

A Sub-Fund’s net asset value will not be calculated on days when the stock exchanges or markets in that Sub-Fund’s main investment countries are closed or 50% or more of the Sub-Fund’s investments cannot be adequately valued (e.g. bank and stock exchange holidays, Saturdays, Sundays and Luxembourg public holidays). The total net asset value represents the market value of all the assets, less liabilities. Furthermore the net asset value will not be calculated on specific national holidays of countries, where Investment Managers (as disclosed in the Sub-Fund-specific annexes to the prospectus) are located and services are being provided.

The net asset value per share of each share class of each Sub-Fund will be calculated in respect of any Valuation Day in the currency of the relevant Sub-Fund, by dividing the total net asset value of the relevant Sub-Fund by the number of Shares outstanding in each share class. An income equalisation is performed for each Sub-Fund.

If the sum of all subscriptions and/or redemptions of all the share classes of a Sub-Fund results in a net capital inflow or outflow, the net asset value of the Sub-Fund in question may be increased or reduced on this trading day (so-called single swing pricing). The net asset value may not be adjusted by more than 3%. The percentage to be applied to individual Sub-Funds shall be defined by a committee determined by the Board of Directors. This adjustment leads to an increase in the net asset value if the net movements lead to an increase in the number of Shares of the Sub-Fund in question. It results in a reduction of the net asset value if the net movements lead to a reduction in the number of Shares. The Board of Directors may determine a threshold for each Sub-Fund. This threshold may be derived from the net movements on a given trading day relative to the Sub-Fund’s net assets or an absolute amount in the currency of the respective Sub-Fund. The net asset value would therefore not be adjusted unless this threshold is breached on any given trading day. The assets shall be valued as follows, in accordance with the valuation principles and guidelines (the “Valuation Principles”) laid down in the articles of incorporation, approved by the Board of Directors and amended from time to time by the same:

(a) The value of all securities that are listed on an official exchange shall be determined on the basis of the closing prices on the Valuation Day. If the securities are listed on more than one exchange, the value of such securities shall be determined on the basis of the closing prices on the exchange on which the Sub-Fund acquired them.
In the case of securities whose trading volume on an exchange is minimal, whose last available closing price is not representative of their value and for which a secondary market among securities brokers exists, on which fair market prices are offered, the Board of Directors

may value such securities on the basis of prices so determined.

(b) Securities traded on a regulated market are valued in the same manner as listed securities.

(c) Securities which are not listed on an official stock exchange or traded on a regulated market are valued at the last known market price; if no such price is available, these securities shall be valued in accordance with Valuation Principles decided by the Board of Directors of the Company on the basis of their foreseeable sale prices.

(d) Term deposits shall be valued at their nominal value increased by accrued interest.

(e) Shares/units issued by open-ended investment funds shall be valued at their most recent available net asset value or, in accordance with (a) above, at their price at their place of listing.

(f) The sale price of forward, futures and options contracts that are not traded on an exchange or other organised market (forwards) will be valued according to guidelines laid down by the Board of Directors, with the same method being used for all contracts. The sale value of forward, futures and options contracts that are traded on an exchange or other organised market (futures) will be determined on the basis of the last available settlement price for these contracts on exchanges or organised markets on which forward, futures or options contracts of this kind are traded; however, the sale value of such contracts that are not sold on a business day for which a net asset value is calculated will be determined on the basis of the value regarded by the Board of Directors as appropriate and adequate.

(g) Liquid assets and money market instruments can be valued at their nominal value plus accrued interest or in consideration of scheduled amortisation of historical costs. The latter method can lead to temporary discrepancies between values and the prices that the fund in question would receive on selling the investment. The Company shall constantly review this valuation method and recommend any necessary changes to ensure that the valuation of these assets results in an appropriate value that can be determined in good faith according to the procedures laid down by the Board of Directors. If the Company takes the view that deviation from the scheduled amortisation of historical costs per share would lead to considerable dilution or other undesired effects for shareholders, it must make any corrections it considers appropriate to avoid or restrict dilution or other undesired effects, where this is possible and reasonable.

(h) Swap transactions shall be regularly valued on the basis of the valuations received from the swap counterparties. These values can be bid, ask or mid prices, as determined in good faith according to the procedures laid down by the Board of Directors. If the Board of Directors does not believe that these values represent the real market value of the swap transactions in question, their value shall be determined in good faith by the Board of Directors or according to another method that the Board of Directors deems appropriate.

(i) All other securities and approved assets, and those aforementioned assets for which valuation was not possible according to the provisions above or where such valuation would not reflect their fair value, shall be valued at their fair market value, determined in good faith according to methods laid down by the Board of Directors.

(j) Shares or units of other undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCI) are valued at their last known net asset value. In addition, shares or units of other UCITS and UCIs may be valued on the basis of an estimated net asset value of such shares or units. No adjustment is made if there are discrepancies between the estimated and the actual net asset value of the Target Funds, which is only obtainable after the calculation date of the net asset value of the Sub-Fund.

(k) The valuations arrived at in this way shall be converted into the Accounting Currency at the appropriate mid price. Forward and futures contracts concluded to hedge against currency risk shall be included in the conversion.

### 5.8 Suspension of the Calculation of the Net Asset Value and of the Issue, Redemption and Conversion of Shares

The Company may temporarily suspend the calculation of the net asset value of any Sub-Fund and the issue, redemption and conversion of Shares of the relevant Sub-Fund in the following cases:

(a) during any period when any securities market or stock exchange on which a substantial part of the securities attributable to any Sub-Fund are traded is closed (otherwise than for ordinary holidays) or during which dealings are substantially restricted or suspended;

(b) during the existence of any state of affairs which constitutes an emergency as a result of which the sale or valuation of assets owned by the Company and attributable to any Sub-Fund would, in the opinion of the Board of Directors, be impracticable or unfair towards the remaining shareholders of the relevant Sub-Fund;

(c) during any breakdown in or restriction of the use of the means of communication normally employed in determining the price or value of any of the securities attributable to any Sub-Fund;

(d) during any period when the Company is unable to transfer monies for the purpose of making payments on the redemption of Shares or during which any transfer of monies involved in the purchase or sale of investments cannot in the opinion of the Board of Directors be effected at normal exchange rates;

(e) in case of a decision to liquidate the Company and/or a Sub-Fund, on or after the day of publication of the first notice convening the general meeting of shareholders for this purpose or following the resolution of the Board of Directors from the day of announcement of the liquidation;
(f) in the event that a decision is taken to merge a Sub-Fund or the Company, where this is justified in order to protect the interests of the investors;
(g) in the case of a feeder Sub-Fund, if the calculation of the net asset value, the issue, redemption or conversion of shares of the master are suspended;
(h) in the case of a Sub-Fund that invests exclusively in Target Funds, if the calculation of the net asset value, the issue, redemption or conversion of a substantial portion of the Target Funds is suspended;
(i) if, due to unforeseen circumstances, a large number of redemption applications have been received and, in the view of the Board of Directors, the interests of the shareholders remaining in the Sub-Fund are thereby endangered.

The articles of incorporation provide that the Company shall suspend the issue, redemption and conversion of the Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority. Shareholders who have submitted Shares for redemption or conversion will be notified of the suspension in writing within seven days, and informed immediately when the suspension is lifted.

### 5.9 Distribution of Shares

The Management Company may appoint distributors to sell Shares of one or more Sub-Funds of the Company. The names and addresses of these distributors can be obtained on request.
Where subscriptions are made through the distributors, the latter are entitled to charge an issue commission plus any costs associated with distribution. The distributors are entitled to an issuing commission for the Shares distributed by them, which may be waived in whole or in part.

### 5.10 Unfair Trading Practices – Prevention of Money Laundering

Subscriptions and redemptions should only be made for investment purposes. The Company does not allow any market timing or other excessive trading practices. Such practices may harm the performance of the Company and its Sub-Funds and interfere with asset management. To minimise such negative consequences, the Company reserves the right to reject subscription or conversion requests from investors who, in the view of the Company, engage or have engaged in such trading practices, or whose trading practices are detrimental to other investors.
The Company may also proceed with the compulsory redemption of the Shares of an investor who engages or has engaged in these trading practices. The Company is not liable for any gain or loss incurred from rejected investment instructions or compulsory redemptions.
The Company reserves the right to reject any request or to accept any request in part only.
If a request is rejected in whole or in part, the subscription amount or the corresponding balance will be returned to the first named subscriber at the risk of the person(s) entitled thereto within 30 days of the decision to reject the request. The Company reserves the right to withhold any excess subscription monies until the funds have cleared.
In particular, financial institutions based in Luxembourg are obliged to verify the identity of their clients or the investors/beneficial owners of an investment fund. The Luxembourg laws and measures resulting therefrom serve to prevent money laundering.
The Company is therefore entitled to defer acceptance of a request until it has received the requested information on investors' identities, the beneficial entitlement of the investor and on the origin of the monies.
In particular in the case of:
(a) direct investments; or
(b) investments made through a broker or financial intermediary domiciled in countries where the requirements for identification are not as strict as those imposed by Luxembourg law, the Company reserves the right to ask every investor to prove his identity by producing the following documents:
- for a natural person: a certified copy (authenticated by the police, local authority, embassy, etc.) of his passport or ID card; confirmation of the beneficial owner(s);
- for a legal entity: a certified copy of the official documents (articles of incorporation, extract from the commercial register, balance sheets); identification documents and authorised signatories of the company and the representatives; confirmation of the beneficial owner(s).

The Company is also obliged to verify the origin of the monies that emanate from a financial institution that is not subject to the Luxembourg equivalent identification rules.
Pursuant to Article 3 (2) (d) of the law of 12 November 2004 on the fight against money laundering and terrorist financing the Company is obliged to conduct an ongoing monitoring of the business relationship with the shareholders of the Fund. Ongoing monitoring includes, inter alia, the obligation to verify and, where appropriate, to update, within an appropriate timeframe, the documents, data or information gathered while fulfilling the customer due diligence obligations. The Company may only be in a position to fulfil its legal obligation to conduct an ongoing monitoring of the business relationship with the shareholders of the Fund if the shareholders will provide the Company with the relevant information and documents in order to verify and, where appropriate update collected data. In case of any lack of cooperation of a shareholder, the Company would be obliged to block such shareholder's account until the receipt of the

information and documents required by the Company. Any costs (including account maintenance costs) which are related to non-cooperation of such shareholder will be borne by the respective shareholder.

### 5.11 Confidentiality, Data Processing and Professional Secrecy

The Fund, the Management Company, the registrar or any other agent used by them agree to keep all information concerning the investor(s) confidential unless required to disclose such information to third parties by applicable law or by formal instruction of the investor(s) or as further described in this section.

The Management Company has established an independent Data Protection Officer function who is inter alia in charge of the proper treatment of the investors Personal Data and investor request linked to the processing of Personal Data. The Data Protection Officer is reachable by e-mail JSSFML_DPO@jsafrasarasin.com or by letter J. Safra Sarasin Fund Management (Luxembourg) S.A., Data Protection Officer, 19 Boulevard Joseph II, L-1840 Luxembourg.

In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("Data Protection Law"), the Management Company acting as data controller (the "Data Controller") collects stores and processes, by electronic or other means, the data supplied by the investor at the time of his/her/its investment for the purpose of fulfilling the services required by the investor and complying with its legal obligations.

The data processed may include the name, contact details (including postal and/or e-mail address), banking details, economic background of the investor and the invested amount, pictures as far as they are content of the identification documents, tax related information and the invested amount of the investor (or, if the investor is a legal person, of its contact person(s) and/or beneficial owner(s)) (the "Personal Data").

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Data Controller. In this event however the acceptance of the subscription in the Fund has to be rejected.

Personal Data supplied by the investor is processed in order to enter into and execute the subscription in the Fund, for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller. In particular, the Personal Data supplied by the investor is processed for the purposes of (i) subscribing in the Fund, (ii) maintaining the Shares register; (iii) processing investments and withdrawals of and payments of dividends to the investor; (iv) account administration and (v) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations. In addition, Personal Data may be processed for the purposes of marketing. Each investor has the right to object to the use of his/her/its Personal Data for marketing purposes by writing to the Data Controller. In this event the Personal Data processed for Marketing Purposes will be deleted by the Management Company. The retention period for Personal Data processed for (v) is 5 years as of the end of the relationship and in cases (i) to (iv) 10 years as of the end of the relevant calendar year.

The Personal Data may also be processed by the Data Controller's data processors (the "Processors") which, in the context of the above mentioned purposes, refer to the depositary and paying agent, the central administration, domiciliary agent, registrar and transfer agent, the distributors, the auditor and the legal adviser. The Processors are located in the European Union and in Switzerland. Any transfer of Personal Data to the Processors located in Switzerland relies on the EU Commission decision 2000/518/EC of 26 July 2000 pursuant to which Switzerland is considered to offer an adequate level of protection for Personal Data.

Personal Data may also be disclosed by the central administration or by the depositary and paying agent, acting in turn as data controller, to their own data processor(s) located in Europe or in third countries, and notably in the United Kingdom, Canada and Malaysia. The list of countries where the group CACEIS is located is available on the Internet site www.caceis.com. Please note that this list could change over time. As Malaysia do not ensure an adequate level of protection for Personal Data, the central administrator of the Fund acting also as depositary and paying agent has entered into legally binding transfer agreements with the relevant processor(s) in the form of EU Commission approved model clauses. In this respect, the investor has a right to request copies of the relevant documents for enabling the Personal Data transfer(s) towards such country by writing to the central administrator of the Fund at the following address: 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg.

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax authorities (including for compliance with the FATCA/CRS obligations).

In accordance with the conditions laid down by the Data Protection Law, the investor acknowledges his/her/its right to:

- access his/her/its Personal Data;
- correct his/her/its Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her/its Personal Data;
- ask for erasure of his/her/its Personal Data;
- ask for Personal Data portability.

The investor also acknowledges the existence of his/her/its right to lodge a complaint with the National Commission for Data Protection ("CNPD").

The investor may exercise the above rights by writing to the Data Controller at the following address:

19 Boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg.

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by law.

## 6. Fees, Expenses and Tax Considerations

### 6.1 Fees and Expenses

The Company shall pay the following fees (as percentages of the Net Asset Value) for services under the Depositary Bank and Principal Paying Agent Agreement to CACEIS Bank, Luxembourg Branch:
Depositary fees: max. 0.1% p.a. In addition, the Depositary shall be entitled to reimbursement of the fees and expenses of the collective custodians and foreign correspondent banks it uses. The fees are payable quarterly in arrears.
Furthermore, the Company will pay the fees of the Management Company (i.e. management fees and service charges) and additionally all other expenses incurred in connection with the operation of the Company, including (without limitations) taxes, expenses for legal and auditing services, costs of printing proxies for the convening of the general meeting, financial reports, prospectuses and costs of the preparation and printing KIDs, other promotional and marketing expenses, any expenses incurred for the issue and redemption of Shares including costs to be paid to ensure sufficient liquidity in order to meet redemption requests, expenses incurred for the payment of dividends, costs of the paying agents, registration fees and other expenses incurred in connection with reporting to supervisory authorities in various jurisdictions, the fees and out-of-pocket expenses of directors of the Company, insurance, interest, listing and brokerage costs, out-of-pocket disbursements of the Depositary and of all other agents of the Company as well as the costs of publishing the net asset value per share and the issue price. The fee in favour of the Management Company is indicated in the annexes to the prospectus for the individual Sub-Funds.
The Management Company may opt to waive part of the fee to which it is entitled in favour of the distributor. Payments may be made to the distributor out of the Management Company fee.
The Management Company, investment managers and investment advisers/advisory boards are entitled to a fee. The (sub)investment managers and investment advisers/ advisory board are remunerated from the management fee.
All fees, costs and expenses to be borne by the Company will be charged initially against investment income and thereafter against capital. Details of the fees payable to the Management Company can be found in the annexes for the individual Sub-Funds. The Company can make direct payments of the investment manager/investment adviser's fee, which shall be deducted from the remuneration of the Management Company.
The Company is not bound to use one or more brokers selected in advance for the implementation of any stock exchange transaction by the Sub-Funds. The same applies for other legal transactions related to the implementation of the investment policy. The Company is aware that, in accordance with general principles for optimisation of the net results generally applied in the marketplace, securities transactions may be implemented with the investment advisers or with undertakings affiliated to these, provided that their business terms shall be comparable to those of other brokers or traders.

### 6.2 Tax Considerations

THE FOLLOWING INFORMATION IS OF A GENERAL NATURE ONLY AND IS BASED ON THE COMPANY'S UNDERSTANDING OF CERTAIN ASPECTS OF THE LAWS AND PRACTICES IN FORCE IN LUXEMBOURG AS OF THE DATE OF THIS PROSPECTUS. IT DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL TAX CONSIDERATIONS THAT MAY BE RELEVANT TO AN INVESTMENT DECISION. IT IS INCLUDED HEREIN SOLELY FOR PRELIMINARY INFORMATION PURPOSES. IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE. IT IS A DESCRIPTION OF THE ESSENTIAL MATERIAL LUXEMBOURG TAX CONSEQUENCES WITH RESPECT TO THE SUBSCRIBING FOR, PURCHASING, OWNING AND DISPOSING OF SHARES AND MAY NOT INCLUDE TAX CONSIDERATIONS THAT ARISE FROM RULES OF GENERAL APPLICATION OR THAT ARE GENERALLY ASSUMED TO BE KNOWN TO SHAREHOLDERS. THIS SUMMARY IS BASED ON THE LAWS IN FORCE IN LUXEMBOURG ON THE DATE OF THIS PROSPECTUS AND IS SUBJECT TO ANY CHANGES IN LAW THAT MAY TAKE EFFECT AFTER SUCH DATE, EVEN WITH RETROACTIVE OR RETROSPECTIVE EFFECT.

Prospective shareholders should consult their own professional advisors as to the particular consequences of subscribing for, purchasing, owning and disposing of Shares, including the application and effect of any federal, state or local taxes in Luxembourg and in their countries of citizenship, residence, domicile or incorporation.

Shareholders should be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

#### 6.2.1 Taxation of the Company

6.2.1.1 Income and net wealth taxes

Under current Luxembourg tax law, the Company is neither subject to corporate income tax and municipal business tax (including the solidarity surcharge) nor net wealth tax (including the minimum net wealth tax) in Luxembourg.

6.2.1.2 Subscription tax

The Company is as a rule subject in Luxembourg to a subscription tax (taxe d'abonnement) of 0.05% per annum, such tax being payable quarterly. The taxable basis of the subscription tax is the aggregate net assets of the Company valued on the last day of each quarter of the calendar year.
However, the rate is reduced to 0.01% per annum for:

- undertakings whose sole object is the collective investment in money market instruments and in deposits with credit institutions;

- undertakings whose sole object is the collective investment in deposits with credit institutions;
- individual compartments of UCIs with multiple compartments subject to the 2010 Law and individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of these compartments or classes are reserved for one or more institutional investors.

Under certain conditions, reduced rates ranging from 0.04% to 0.01% may also be available for the portion of the net assets of a UCI or of an individual compartment of a UCI with multiple compartments invested in environmentally sustainable economic activities (as defined in Article 3 of the Taxonomy Regulation).
Further, the following are exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs provided that such units have already been subject to the subscription tax provided for by Article 174 of the 2010 Law, Article 68 of the amended law of 13 February 2007 on specialised investment funds or Article 46 of the amended law of 23 July 2016 on reserved alternative investment funds;
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and in deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency;
- If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;
- UCIs whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles set up at the initiative of one or more employers for the benefit of their employees and (ii) companies of one or more employers investing the funds they hold, to provide retirement benefits to their employees;
- UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions;
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public, and (ii) whose exclusive objective is to replicate the performance of one or more indices.

If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition sub-point (i).
The above-mentioned provisions apply mutatis mutandis to the individual compartments of a UCI with multiple compartments.

6.2.1.3 Withholding tax

Under current Luxembourg tax law, there is no withholding tax on distributions, liquidation proceeds and redemption payments made by the Company to its shareholders.
However, the Company may be subject to withholding tax on dividends and interest payments and to tax on capital gains in the country of origin of its investments. As the Company itself is not subject to Luxembourg corporate income tax, withholding tax levied at source, if any, would normally be a final cost.
Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Company is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to the Company.

6.2.1.4 Other taxes

No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares against cash.
However, the Company is subject to a fixed registration duty of EUR 75 in Luxembourg upon incorporation and any subsequent amendment to its articles of association.

6.2.1.5 VAT

For the purpose of Luxembourg VAT, the Company is treated as a taxable person with no entitlement to deduct input tax. However, services relating to the management of the Company (fund management services) are exempt from VAT in Luxembourg. Other services additionally provided to the Company may in principle incur a VAT liability, which if applicable then makes it necessary for the Company to be registered with the Luxembourg VAT authorities in order to comply with the VAT self-assessment requirement that applies to the purchase of VAT-liable services (also supplies in some cases) from abroad.
Payments by the Company to its shareholders are irrelevant for VAT purposes in principle, provided the payments relate to the purchase and holding of the Shares and do not constitute a consideration for services rendered.

### 6.2.2 Taxation of the shareholders

It is expected that the shareholders will be resident for tax purposes in different countries. Accordingly, no attempt is made in this Prospectus to summarise the tax consequences for each shareholder of subscribing for, purchasing, owning or disposing of Shares. These consequences will vary depending on the law and practice currently in force in the shareholders' country of citizenship, residence, domicile or incorporation, as well as their personal circumstances. Shareholders that are residents or citizens of certain countries which have a tax legislation affecting foreign funds may have a current liability to tax on undistributed income and gains of the Fund.

6.2.2.1 Tax residency

A shareholder will not become resident (or be deemed resident), in Luxembourg by reason only of holding and/or disposing of the Shares or executing, performing, delivering and/or enforcing its rights thereto.

#### 6.2.2.2 Resident individual shareholders

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to personal income tax at the progressive ordinary rates.

Capital gains realised upon the disposal of the Shares by a resident individual shareholder, who acts in the course of the management of his/her private wealth, are not subject to personal income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to personal income tax at ordinary rates if the Shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the share capital of the Company whose Shares are being disposed of. A shareholder is also deemed to alienate a substantial participation if he/she acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are taxed according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive personal income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realised on the disposal of the Shares by a resident individual shareholder, who acts in the course of the management of his/her professional/business activity, are subject to personal income tax at ordinary rates. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### 6.2.2.3 Resident corporate Shareholders

Luxembourg resident corporate Shareholders which are fully-taxable companies must include any profits derived and any gains realised on the sale, repurchase or redemption of Shares, in their taxable profits for Luxembourg income tax purposes. Taxable gains are determined as the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### 6.2.2.4 Resident Shareholders benefiting from a special tax regime

Luxembourg resident corporate shareholders which benefit from a special tax regime, such as (i) specialised investment funds subject to the amended law of 13 February 2007, (ii) family wealth management companies subject to the amended law of 11 May 2007, (iii) UCIs subject to the 2010 Law, or (iv) reserved alternative investment funds treated as a specialised investment fund for Luxembourg tax purposes and subject to the amended law of 23 July 2016, are exempt from income taxes in Luxembourg and profits derived from the Shares are thus not subject to Luxembourg income taxes.

#### 6.2.2.5 Non-resident shareholder

Non-resident shareholders that have neither a permanent establishment nor a permanent representative in Luxembourg to which or to whom the Shares are attributable, are generally not liable to any income tax in Luxembourg in respect of the Shares (including on income received and gains realised on the sale, repurchase or redemption of the Shares).

Non-resident corporate Shareholders that have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable, must include any income received and gains realised on the sale, repurchase or redemption of Shares, in their taxable income for Luxembourg income tax assessment purposes.

The same inclusion applies to non-resident individual shareholders, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable.

Taxable gains are determined as the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### 6.2.2.6 Net wealth tax

Luxembourg resident shareholders as well as non-resident shareholders that have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if such shareholders are (i) an individual, (ii) a securitisation vehicle subject to the amended law of 22 March 2004, (iii) a venture capital company subject to the amended law of 15 June 2004, (iv) a professional pension institution subject to the amended law of 13 July 2005, (v) a specialised investment fund subject to the amended law of 13 February 2007, (vi) a family wealth management company subject to the amended law of 11 May 2007, (vii) a UCI subject to the 2010 Law, or (viii) a reserved alternative investment fund subject to the amended law of 23 July 2016.

However, (i) a securitisation company subject to the amended law of 22 March 2004, (ii) a tax-opaque venture capital company subject to the amended law of 15 June 2004, (iii) a professional pension institution subject to the amended law of 13 July 2005, and (iv) a tax-opaque reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and subject to the amended law of 23 July 2016 remain subject to the minimum net wealth tax in Luxembourg.

6.2.2.7 Other taxes
Under current Luxembourg tax law, where an individual shareholder is resident in Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his/her taxable base for inheritance tax purposes. By contrast, no inheritance tax is levied on the transfer of the Shares upon the death of an individual shareholder if the deceased was not resident in Luxembourg for inheritance tax purposes at the time of his/her death.
Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

### 6.3 Exchange of Information

Common Reporting Standard
Capitalized terms used in this section should have the meaning as set forth in the CRS-Law, unless provided otherwise herein.
The Company may be subject to the CRS Law as set out in the CRS Law, under the terms of which, the Company is treated as a Luxembourg Reporting Financial Institution.
As such, the Company is required to annually report to the Luxembourg tax authorities CRS Information related, inter alia, to the identification of, holdings by and payments made to (i) certain Shareholders qualifying as Reportable Persons and (ii) Controlling Persons of passive NFEs which are themselves Reportable Persons. The CRS Information will include personal data related to the Reportable Persons.
Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their CRS Information by the Fund.
The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each shareholder providing the Company with the CRS Information, along with the required supporting documentary evidence.
In this context, the shareholders are hereby informed that, as data controller, the Company will process the CRS Information for the purposes as set out in the CRS Law.
Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their CRS Information by the Company.
Additionally, the Company is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with applicable data protection legislation.
The shareholders are further informed that the CRS Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.
Similarly, the shareholders undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data not be accurate. The shareholders further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes.
Although the Company will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS-Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a fine or a penalty as result of the CRS Law, the value of the Shares held by the shareholders may suffer material losses.
Any shareholder that fails to comply with the Company's documentation requests may be charged with any taxes and penalties imposed on the Company attributable to such shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such shareholder.
Investors should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

FATCA
Capitalized terms used in this section should have the meaning as set forth in the FATCA Law, unless provided otherwise herein.
The Company may be subject to the so-called FATCA legislation, which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities. As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions, which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.
Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the FATCA Law, which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (Administration des contributions directes).
The Company will be treated as a Luxembourg Reporting Financial Institution. This status imposes on the Company the obligation to regularly obtain and verify information on all of its shareholders. Upon request of the Company, each shareholder shall agree to provide certain information, including, in case of a Non-Financial Foreign Entity ("NFFE") information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each shareholder shall agree to actively provide to the Company within thirty days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may result in the obligation for the Company to disclose the name, address and taxpayer identification number (if available) of the shareholder as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities (administration des contributions directes) for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Company.

Additionally, the Company is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the applicable data protection legislation.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the shareholders may suffer material losses. A failure for the Company to obtain such information from each shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income as well as penalties.

Any shareholder that fails to comply with the Company's documentation requests may be charged with any taxes imposed on the Company attributable to such shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

## B. The Sub-Funds

### JSS Multi Asset – Global Income

**General information**
The Shares of JSS Global Allocation have been issued for the first time on 13 November 2015. As of 1 April 2021 the name of the Sub-Fund was changed to JSS Sustainable Multi Asset – Global Income. As of 8 July 2025 the name of the Sub-Fund was changed to JSS Multi Asset – Global Income.

**Investment objective**
The Sub-Fund seeks long term capital growth by investing in various asset classes with a flexible asset allocation approach. The Reference Currency of the Sub-Fund is the US dollar (USD). The Reference Currency does not need to be identical to the Investment Currency.

**Investment policy**
The assets of JSS Multi Asset – Global Income are invested worldwide primarily in equities (min. 25%) and fixed income and money market instruments. The Sub-Fund may also invest part of its assets in convertible bonds and bonds with warrants, fixed or floating rate securities (including zero bonds) as well as in warrants and comparable assets.
When choosing investments, various factors are considered, including opportunities for equity or debt investments to increase in value, expected dividends and interest rates. The Sub-Fund generally seeks diversification across markets, industries and issuers as one of its strategies to reduce volatility. The Sub-Fund has the flexibility to look for investments in markets around the world, including emerging markets, that will provide the best asset allocation to meet the Sub-Fund's objective. At any given time the Sub-Fund may emphasize either fixed income and money market instruments or equity securities. The fund employs a flexible asset allocation approach whereby up to 90% of the funds' assets may be invested in either of the asset classes at a given time. Direct investments in equity securities are at least 25% of the Sub-Fund's asset, but exposure towards equity securities can be reduced to minimal 10% of the Sub-Fund's asset using the investment techniques and instruments described in section 3.4 "Use of derivatives and techniques and instruments".
Direct or indirect investments in equities may include: i.a. common stock, preferred stock, securities convertible into common stock, rights and warrants or securities or other instruments whose price is linked to the value of common stock.
The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the SCHEDULE V "SFDR Disclosures".
The Sub-Fund may buy fixed income and money market instruments of varying maturities, fixed income investments paying a fixed or fluctuating rate of interest, fixed income investments convertible into equity securities, inflation-indexed bonds, structured notes, credit-linked notes or fixed income investments of any kind. Furthermore the Sub-Fund may invest in Contingent Convertible Bonds (CoCos). CoCos are unlimited, principally fixed-income bonds with a hybrid character which are issued as bonds with fixed coupon payments, but which upon a trigger event are mandatorily converted into company shares or written down, provided that respective trigger events are set out in the issuing terms of the CoCos. In addition it is permitted to invest in distressed securities. Securities are considered as distressed if the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's, Fitch) or Ca (Moody's), or an equivalent rating from a recognized rating agency. On an accumulated basis, an overall limit of 10% shall apply for investments in distressed securities and CoCos.
The fixed income investments may also be issued or guaranteed by governments, international or supranational organisations or by private issuers. In particular the borrowers may be domiciled in emerging markets. Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.
The Sub-Fund will be actively managed without replicating any benchmark. The Sub-Fund will be managed without reference to any benchmark. The Reference Currency of the Sub-Fund is the USD. The Reference Currency does not need to be identical to the Investment Currency.
In H2 share classes the currency risks arising from fixed income investments (incl. money market instruments) are largely hedged against the reference currency of the respective share class in accordance with the information contained in section 5.1 "Description of shares", "Additional characteristics".
The Sub-Fund may actively manage its exposure to foreign currencies through the use of forward currency contracts and other currency derivatives.
In addition, the Sub-Fund may invest its net assets in UCITS/UCIs in accordance with the information contained in section 3.3 "Investment restrictions".
For the purpose of efficient portfolio management, hedging or investment, the Sub-Fund may use financial derivative instruments that are traded on a stock exchange or other regulated market open to the public or over the counter (OTC). These include, amongst others, futures, forwards, swaps, credit default swaps and credit linked notes for the management of currency, interest rate and credit risks.

**Risk profile**
Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the shares can be sold for the original capital amount invested.
In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.

As JSS Multi Asset – Global Income invests in equities, its performance is primarily influenced by company-specific changes and changes in the economic environment.
There is also a higher credit default risk as a result of investing in debt securities of a non-investment grade rating.
With regard to the investments in fixed and variable-rate securities, its performance is primarily influenced by issuer-specific changes and changes in interest rates.
The convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.
Risks related to:

- Distressed securities
- Emerging markets
- Contingent convertible bonds (CoCos)
- Credit Default Swaps
- Sustainability Risks

are described in section "3.2.2 Sub-Fund's Specific Risk Profile." Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.
The counterparty risk may additionally increase in the case of derivatives, which are not traded on a regulated market.

**Investment manager**
Bank J. Safra Sarasin AG, Basel

**Risk monitoring method**
Commitment

**Investor profile**
This Sub-Fund is suited to investors with a medium to long-term investment horizon seeking capital appreciation. JSS Multi Asset – Global Income is intended as a core investment in mixed assets for risk-aware investors.

**Valuation Day**
Each day banks are open for business in Luxembourg and Switzerland.

**Accounting currency**
USD

**Fees payable to the Management Company**
The available share classes for the Sub-Fund are published under http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu.
The management fees for the share classes are set out in Schedule III.
Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for all share classes by the Board of Directors. Further information concerning the service charge can be received from the Management Company.
The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable by the investor**
Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are set out in Schedule IV.

**Special provisions relating to the issue of Shares (changes to section 5.3 and 5.4 of the prospectus)**
Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.
Payments for redemptions will ordinarily be made within two Bank Business Days of the relevant Valuation Day in the currency in which the relevant share class is denominated.

## JSS Bond – Global Convertibles

### General information
The Shares of JSS Bond – Global Convertibles have been issued for the first time on 14 October 2015. As of 1 April 2021 the name of the Sub-Fund was changed to JSS Sustainable Bond – Global Convertibles. As of 8 July 2025, the name of the Sub-Fund was changed back to JSS Bond – Global Convertibles.

### Investment objective
The investment objective of the JSS Bond – Global Convertibles aims to maximize long term total return (the combination of income and growth of capital) by investing mainly in global convertible assets.
The Reference Currency of the Sub-Fund is the US dollar. The Reference Currency need not be identical to the Investment Currency.

### Investment policy
JSS Bond – Global Convertibles invests at least two thirds of the Sub-Fund's assets directly or indirectly in a portfolio of globally diversified convertible securities, whereby the Sub-Fund will have a certain emphasis in convertible securities in Europe and in the United States of America. Issuers of these securities may be located in any country, including emerging markets.
Convertible securities exposure may be achieved through convertible bonds, convertible notes, convertible preference shares and any other suitable convertible or exchangeable instruments. The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the SCHEDULE V "SFDR Disclosures".
The Sub-Fund may also invest in warrants, debt securities, equity securities and money market instruments. Furthermore it is permitted to invest up to 10% of the Sub-Fund's net assets in distressed securities. Securities are considered as distressed if the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's, Fitch) or Ca (Moody's), or an equivalent rating from a recognized rating agency.
The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to FTSE Global Focus Hedged Convertible Bond Index USD (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark.
USD is the Reference Currency of the Sub-Fund, but assets may be denominated in other currencies. However a substantial part of the assets of the Sub-Fund will be denominated in or hedged into USD.
In addition, shares/units of other UCITS/UCIs and derivative instruments may be used in accordance with the information contained in section 3.3 "Investment restrictions" respectively 3.4 "Use of derivatives and techniques and instruments".

### Risk profile
Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the shares can be sold for the original capital amount invested.
In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.
Convertibles securities risk: The market value of a convertible security performs like the market value of a regular debt security, i.e. if market interest rates rise, the value of a convertible security usually falls. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.
There is also a higher credit default risk as a result of investing in debt securities of a non-investment grade rating.
With regard to the investments in fixed and variable-rate securities, its performance is primarily influenced by issuer-specific changes and changes in interest rates.
Risks related to:
- Distressed securities
- Emerging Markets
- Sustainability Risks

are described in section "3.2.2 Sub-Fund's Specific Risk Profile". Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.
The counterparty risk may additionally increase in the case of derivatives, which are not traded on a regulated market.

### Investment manager
The Putnam Advisory Company, LLC Boston, USA.

### Risk monitoring method
Commitment

### Investor profile
This Sub-Fund is suited to investors with a medium to long-term investment horizon seeking a combination of capital income and capital appreciation. JSS Bond – Global Convertibles is intended as an investment for risk-aware investors.

**Valuation Day**
Each day banks are open for business in Luxembourg and in the USA.

**Accounting currency**
USD

**Fees payable to the Management Company**
The available share classes for the Sub-Fund are published under http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu.
The management fees for the share classes are set out in Schedule III.
Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for all share classes by the Board of Directors. Further information concerning the service charge can be received from the Management Company.
The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable by the investor**
Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are set out in Schedule IV.

**Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**
Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.
Payments for redemptions will ordinarily be made within two Bank Business Days of the relevant Valuation Day in the currency in which the relevant share class is denominated.

## JSS Bond – Global High Yield

### General information

The Shares of JSS Sustainable Bond – Global High Yield have been issued for the first time on 27 March 2018. As of 8 July 2025 the name of the Sub-Fund was changed to JSS Bond – Global High Yield.

### Investment objective

The investment objective of JSS Bond – Global High Yield is to achieve the highest possible return by investing in high yield bonds from sustainable issuers.
The Reference Currency of the Sub-Fund is the US dollar (USD). This means that the Sub-Fund manager seeks to optimize investment performance in USD terms.

### Investment policy

JSS Bond – Global High Yield invests at least 70% of its net assets in fixed or floating rate debt securities, including zero bonds, with a non-investment grade rating, issued or guaranteed by government, public, private and public-private borrowers.
Non-investment grade rating means a credit rating that is lower than BBB- (Standard & Poor's, Fitch) or Baa3 (Moody's) or an equivalent quality rating.
Securities may be issued or guaranteed by borrowers in emerging markets.
Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.
The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the SCHEDULE V "SFDR Disclosures".
The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to ICE BofA Global High Yield Index USD hedged (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. In addition, the Investment Manager integrates sustainability aspects which lead to an exclusion of investable Benchmark components. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark.
The Sub-Fund may invest up to 20% (including max. 10% in distressed securities) of the Sub-Fund's net assets in non-investment grade investments with a rating lower than B- (Standard & Poor's, Fitch) or B3 (Moody's), or an equivalent rating from a recognized rating agency.
The Sub-Fund may also hold up to 5% of its net assets direct and indirect equity securities resulting from corporate events.
Securities are considered as distressed if the following criteria are met: fixed income investments with a credit rating equal or lower than CC (Standard & Poor's, Fitch) or Ca (Moody's), or an equivalent rating from a recognized rating agency.
Up to 20% of the assets may be invested in fixed or floating rate debt securities with an investment grade rating and up to 10% in securities without a rating.
Up to 10% of the assets may be invested in Contingent Convertible Bonds (CoCos).
The Sub-Fund may hold ancillary liquid assets. In addition, shares/units of other UCITS/UCIs in accordance with the information contained in section 3.3. "Investment restrictions". For the purpose of efficient portfolio management or hedging the Sub-Fund may use financial derivative instruments that are traded on a stock exchange or other regulated market open to the public or over the counter (OTC). These include, amongst others, futures, forwards, swaps, credit default swaps and credit linked notes for the management of currency, interest-rate and credit risks.
The Sub-Fund may also borrow up to 10% of the net fund assets on a temporary basis. The Sub-Fund may further undertake potential commitments within the limits of the 2010 Law through derivative investment instruments (e.g. futures and options).

### Risk profile

Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the units can be sold for the original capital amount invested.
In addition, if the investor's reference currency differs from the Sub-Fund's investment currency(ies), a currency risk exists.
As the JSS Bond – Global High Yield invests in fixed and variable-rate securities, its performance is primarily influenced by issuer-specific changes and changes in interest rates.
There is also a higher credit default risk as a result of investing in debt securities of a non-investment- grade rating.
Non-investment grade securities or securities without credit rating are typically subject to greater market fluctuations and the risk of loss of income and principal than lower yielding, investment grade instruments, and which are often influenced by many of the same unpredictable factors which affect equity prices. The Sub-Fund's investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of any particular issuers' creditworthiness.
The Sub-Fund may invest in securities which may not be rated by a recognised credit-rating agency, are low investment grade or below investment grade and which are, or may become, subject to greater risk of loss of principal and interest than higher-rated debt securities. As investors generally perceive that there are greater risks associated with unrated and below investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that for higher-rated securities, which may

adversely affect the prices at which these securities can be sold and result in losses to the Sub-Fund. The Sub-Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Sub-Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Sub-Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.
Risks related to:

- Distressed securities
- Contingent convertible bonds (CoCos)
- Emerging Markets
- Credit Default Swaps
- Sustainability Risks (i.a. High Yield)

are described in section "3.2.2 Sub-Fund's Specific Risk Profile".
The Sub-Fund holds sufficient cash and investments which can be sold within one day under normal and stressed market conditions. However, it may also hold assets which are less liquid. The part of less liquid assets is strictly limited so as to ensure that large redemptions can be met at any time in accordance with the defined redemption terms. The Sub-Fund's liquidity management tools in place as well as its dealing frequency arrangements are appropriate with regards to its investment strategy and underlying assets.

**Investment manager**
Bank J. Safra Sarasin AG, Basel

**Risk monitoring method**
Commitment

**Investor profile**
This Sub-Fund is suited to investors with a medium to long-term investment horizon seeking medium to high returns. JSS Bond – Global High Yield is intended as a supplementary investment in fixed income securities for investors with a medium to high risk tolerance.

**Valuation Day**
Each day banks are open for business in Luxembourg and Switzerland.

**Accounting currency**
USD

**Fees payable to the Management Company**
The available share classes for the Sub-Fund are published under http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu.
The management fees for the share classes are set out in Schedule III.
Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.
The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable by the investor**
Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are set out in Schedule IV.

**Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**
Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.
Payments for redemptions will ordinarily be made within two Bank Business Days of the relevant Valuation Day in the currency in which the relevant share class is denominated.

**JSS Equity – Global Multifactor**

**General information**
The Shares of JSS Sustainable Equity – Global Multifactor have been issued for the first time on 27 November 2018. As of 8 July 2025 the name of the Sub-Fund was changed to JSS Equity – Global Multifactor.

**Investment objective**
The investment objective of JSS Equity – Global Multifactor is to achieve long-term capital growth.
The reference currency of the Sub-Fund is the USD. The Reference Currency does not need to be identical to the Investment Currency.

**Investment policy**
JSS Equity – Global Multifactor invests worldwide either directly (min. 67%) or indirectly in equity securities (e.g. ordinary and preference shares, depositary receipts, etc.).
The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information the specific categorisation of the Sub-Fund under the SFDR, investors are referred to the SCHEDULE V "SFDR Disclosures".
The Sub-fund uses multi-factor models to evaluate stocks based on their exposure to factors such as valuation, quality, momentum, volatility and size. The Sub-fund will tilt the allocation of single factor portfolios based on a business cycle model.
The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to MSCI World NR Index (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. In addition, the Investment Manager integrates sustainability aspects which lead to an exclusion of investable Benchmark components. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark.
The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash, money market instruments and fixed or floating rate debt securities with an investment grade rating. In addition, derivative instruments may be used for hedging as well as for efficient portfolio management purposes in accordance with the information contained in section 3.4. "Use of derivatives and techniques and instruments".

**Risk profile**
Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.
In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.
As JSS Equity - Global Multifactor invests in equities; its performance is primarily influenced by company-specific changes and changes in the economic environment.
Currency export restrictions or other related regulations in these countries may also lead to complete or partial delays in the repatriation of the investments, or fully or partly prevent this, with the consequence of possible delays in the payment of the redemption price.
Risks related to
- Sustainability Risks

are described in section 3.2.2 "Sub-Funds' Specific Risk Profile".

**Investment manager**
Bank J. Safra Sarasin AG, Basel

**Risk monitoring method**
Commitment

**Investor profile**
This Sub-Fund is suited to investors with a long-term investment horizon seeking capital appreciation. JSS Equity - Global Multifactor is intended as supplementary investment in global for investors with a moderate to high risk tolerance.

**Valuation Day**
Each day banks are open for business in Luxembourg, USA and Switzerland.

**Accounting currency**
USD

**Fees payable to the Management Company**
The available share classes for the Sub-Fund are published under http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu.
The management fees for the share classes are set out in Schedule III.
Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.
The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable by the investor**
Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are set out in Schedule IV.
Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)
Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be

considered when the payment is received within two Bank Business Days of the issue date.

Payments for redemptions will ordinarily be made within two Bank Business Days of the relevant Valuation Day in the currency in which the relevant share class is denominated.

## JSS Sustainable Equity – Future Health

### General information
The Shares of JSS Sustainable Equity – Future Health have been issued for the first time on 6 November 2019.

### Investment objective
The investment objective of the JSS Sustainable Equity – Future Health is to achieve long-term capital growth. The Reference Currency of the Sub-Fund is the US Dollar (USD).

### Investment policy
The assets of JSS Sustainable Equity – Future Health are mainly invested worldwide either directly (min. 67% of the Sub-Fund's assets) or indirectly in equity securities that offer an exposure to one or multiple emerging and transformational health trends. The Sub-Fund invests in leading companies and niche players whose products and services contribute to the improvement of health outcome and the dampening of rising healthcare costs. The majority of the investments are made in healthcare companies with a strong focus on technology, prevention and quality control across all healthcare industries. In order to underpin the "Future Health" investment theme, the Sub-Fund may also invest in leading companies outside of the healthcare sector which are exposed amongst others to nutrition, activity, senior living and health related technology trends.
The Sub-Fund is actively managed without replicating any benchmark. The Sub-Fund is managed without reference to any benchmark.
Investments are made across market capitalizations and without any restriction as to the issuer's domicile. This also includes investments in the emerging markets. Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk.
The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the SCHEDULE V "SFDR Disclosures".
Provided that the requirements of Article 41 of the 2010 Law are met, the Sub-Fund may also participate in initial public offerings and is allowed to purchase up to 15% of its net assets in listed eligible China A shares via Stock Connect.
The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash, money market instruments and fixed or floating rate debt securities with an investment grade rating.
In addition derivative instruments may be used for investment and hedging purposes in accordance with the information contained in section 3.3. "Investment restrictions" respectively 3.4 "Use of derivatives and techniques and instruments".

### Risk profile
Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.
In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.
As JSS Sustainable Equity – Future Health invests in equities; its performance is primarily influenced by company-specific changes and changes in the economic environment.
Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.
Moreover, investments in growth sectors or in small and mid-caps carry higher price risk.
Currency export restrictions or other related regulations in these countries may also lead to complete or partial delays in the repatriation of the investments, or fully or partly prevent this, with the consequence of possible delays in the payment of the redemption price.
Risks related to
- Emerging Markets
- Investments in China
- Dealing in securities via Stock Connect
- Sustainability Risks (i.a. Emerging Markets)

are described in section 3.2.2 "Sub-Funds' Specific Risk Profile".

### Investment manager
Bank J. Safra Sarasin AG., Basel

### Risk monitoring method
Commitment

### Investor profile
The JSS Sustainable Equity – Future Health is suited for investors with a medium to long-term investment horizon seeking capital appreciation. The Sub-Fund is intended as a supplementary investment in equities for investors with a moderate to high risk tolerance.

### Valuation Day
Each day banks are open for business in Luxembourg, USA and Switzerland.

### Accounting currency
USD

### Fees payable to the Management Company
The available share classes for the Sub-Fund are published under http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu.
The management fees for the share classes are set out in Schedule III.
Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.

The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable by the investor**

Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are set out in Schedule IV.

**Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**

Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.

Payments for redemptions will ordinarily be made within two Bank Business Days of the relevant Valuation Day in the currency in which the relevant share class is denominated.

## JSS Equity – India

### General information
The Shares of JSS Responsible Equity – India have been issued for the first time on 29 September 2020. As of 8 July 2025 the name of the Sub-Fund was changed to JSS Equity – India.

### Investment objective
The investment objective of the JSS Equity – India is to achieve long-term capital growth by investing in companies in India considering ESG criteria and other investments permitted under the investment policy.
The Reference Currency of the Sub-Fund is the US Dollar (USD).

### Investment policy
The assets of JSS Equity – India are mainly invested either directly (min. 67% of the Sub-Funds assets) or indirectly in all forms of equity securities (such as ordinary and preference shares, depositary receipts, etc.) domiciled in India, or whose business activities are concentrated in India or, in the case of holding companies, that are invested mainly in shares of companies domiciled in India.
The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the SCHEDULE V "SFDR Disclosures".
Provided that the requirements of Article 41 of the 2010 Law are met, the Sub-Fund may also participate in initial public offerings and invest up to 15% in shares of Indian small cap companies. Small cap companies are defined under the SEBI circular SEBI/HO/IMD/DF3/CIR/P/2017/114 as the 251st company and onwards in terms of average full market capitalization over a six-month period. The list of stocks and their capitalization categories will be prepared by the Association of Mutual Funds in India (AMFI) every six months and be published on their website - https://www.amfiindia.com/research-information/other-data/categorization-of-stocks.
The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to MSCI India NR Index (the "Benchmark"). Generally, the majority of the positions within the Sub-Fund are constituents of the Benchmark. In order to exploit specific investment opportunities the Investment Manager may discretionarily select securities not included in the Benchmark. In addition, the Investment Manager integrates sustainable aspects which lead to an exclusion of investable Benchmark components. The holdings and their weightings in the Sub-Fund's portfolio will diverge from the weightings of the securities included in the Benchmark therefore the Sub-Fund's returns may deviate from the performance of the Benchmark. The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash and money market instruments.
In addition, the Sub-Fund may invest up to 10% of its net assets in shares/units of other UCITS/UCIs (incl. money market funds) in accordance with the information contained in section 3.3 "Investment restrictions".
Investments can be made directly in equities or, if permitted, using the investment techniques and instruments described in section 3.4 "Use of derivatives and techniques and instruments".
USD is the accounting currency of the Sub-Fund, but the majority of the assets may be denominated in other currencies. Any foreign currency exposure is not intended to be hedged against the accounting currency.

### Risk profile
Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the shares can be sold for the original capital amount invested.
In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency, a currency risk exists.
As JSS Equity – India invests in Indian equities, its performance is primarily influenced by company-specific changes and changes in the economic environment. The Sub-Fund's exposure to a single country market increases potential volatility. Investments in mid-sized and particularly in small companies are partially characterized by poor liquidity. On the one hand this can make it significantly more difficult to trade in these instruments depending on the state of the market; on the other hand it can lead to above-average price fluctuations. It may temporarily hinder realistic pricing of individual positions.
The market value of newly issued shares may fluctuate considerably owing to factors such as the lack of a prior public market, untested trading, low number of shares available for trading or limited information on issuers.
The Sub-Fund invests in Indian equity and equity-related securities thereby providing exposure to emerging markets which tend to be more volatile than mature markets and its value could move sharply up or down. In some circumstances, the underlying investments may become less liquid which may constrain the Investment Manager's ability to realise some or all of the portfolio. The registration and settlement arrangements in emerging markets may be less developed than in more mature markets so the operational risks of investing are higher. Political risks and adverse economic circumstances are more likely to arise.
As the Sub-Fund's investments are predominantly in currencies differing from the Accounting Currency, the Sub-Fund's performance is to a rather high degree subject to currency fluctuations.
Currencies of certain countries may be volatile and therefore may affect the value of securities denominated in such currencies. If the currency in which an investment is denominated appreciates against the Accounting Currency of the Sub-Fund, the value of the investment will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the investment.
Risks related to

- Emerging Markets
- Sustainability Risks (i.a. Emerging Markets)

are described in section 3.2.2 “Sub-Funds’ Specific Risk Profile”.

**Investment manager**
Goldman Sachs Asset Management International

**Risk monitoring method**
Commitment

**Investor profile**
The Sub-Fund is suited for investors with a long-term investment horizon seeking capital appreciation, JSS Equity – India is intended as a supplementary investment in equities for investors with a medium to high risk tolerance.

**Valuation Day**
Each day banks are open for business in Luxembourg, India and Singapore.

**Accounting currency**
USD

**Fees payable to the Management Company**
The available share classes for the Sub-Fund are published under http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu.
The management fees for the share classes are set out in Schedule III.
Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company’s registered office or the distributors.
The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable by the investor**
Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are set out in Schedule IV.

**Subscription and Redemption Deadline**
Subscription and redemption orders must be received by the transfer agent one Bank Business Day before the Valuation Day, no later than 12.00 (noon) Luxembourg time (“Acceptance or Redemption Cut-Off Time”).

**Special provisions relating to the issue of Shares (change to section 5.3 of the prospectus)**
Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two bank business days of the issue date.

## JSS Sustainable Equity – Strategic Materials

**General information**
The Shares of JSS Sustainable Equity – Strategic Materials have been issued for the first time on 24 September 2024.

**Investment objective**
The Sub-Fund seeks to achieve long-term capital growth through global equity investments. The Sub-Fund will invest according to Bank J. Safra Sarasin AG's proprietary sustainability matrix and focus on companies along the value chain of strategic minerals, which is crucial for a successful energy transition towards a net-zero economy.
The Reference Currency of the Sub-Fund is the US Dollar (USD).

**Investment policy**
The JSS Sustainable Equity - Strategic Materials invests at least 75% directly in equity securities of companies globally that offer exposure to the strategic materials value chains, including both producers and end users. The green transition covers the need for critical materials for lower carbon technologies and the need for material companies to reduce their own emissions' intensity. In addition, global infrastructure investments, technological advances and agricultural developments will drive demand for critical materials.
The Sub-Fund will aim to invest in a portfolio of equity securities of companies with large, medium and small market capitalization, across all industry sectors, that are essential to drive the green transition, build infrastructure, enable industrial and technological progress, and provide food security. The Sub-Fund may also invest in micro caps. It is however not in-tended to invest more than 10% of its net assets in micro caps. Micro-caps are defined as all companies with a market capitalization of less than USD 300 million at the time the investment is made.
This strategy also includes investments in the emerging markets. Emerging markets generally mean the markets of countries which are in the process of becoming modern industrial markets and therefore show higher potential, but also carry a higher risk. Investments in the securities mentioned above may also be made through "Global Depository Receipts" (GDRs) and "American Depository Receipts" (ADRs) listed on recognized exchanges and markets issued by international financial institutions.
The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the Schedule V "SFDR Disclosures".
The Sub-Fund is actively managed without replicating any benchmark. The Sub-Fund is managed without reference to any benchmark.
Provided that the requirements of Article 41 of the 2010 Law are met, the Sub-Fund may also participate in initial public offerings and may purchase up to 15% of its net assets in listed eligible China A shares via Stock Connect.
The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash, money market instruments and fixed or floating rate debt securities with an investment grade rating. In addition, shares/units of other UCITS/UCIs and derivative instruments may be used for investment and hedging purposes in accordance with the information contained in section 3.3 "Investment restrictions" respectively in section 3.4 "Use of derivatives and techniques and instruments".
USD is the accounting currency of the Sub-Fund, but a large part of the assets may be denominated in other currencies.

**Risk profile**
Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.
In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency, a currency risk exists.
As JSS Sustainable Equity - Strategic Materials invests in equities, its performance is primarily influenced by company-specific changes and changes in the economic environment.
Investments in mid-sized and particularly in small companies are partially characterized by poor liquidity. Due to the lack of a consistent definition of small- and mid-caps in the various geographic areas where these investments are made, these investments may be exposed to certain fluctuations. On the one hand, this can make it significantly more difficult to trade in these instruments depending on the state of the market; on the other hand, it can lead to above-average price fluctuations. It may temporarily hinder realistic pricing of individual positions and have a low trading volume, which can be detrimental to the saleability under restricted market conditions.
A large share of the Sub-Fund's equity holdings will be exposed to commodity markets and therefore to commodity price fluctuations that may be unpredictable and thus may affect the value of the equity securities of companies and the value of the Sub-Fund in unforeseeable ways.
Commodity markets can experience significant volatility for example due to lower than expected demand or oversupply which could result in increased volatility in the equity securities held by the Sub-Fund or due to other numerous factors including: weather; trade; fiscal, monetary and ex-change control programs; domestic and foreign political and economic events and policies; disease; technological developments and changes in interest rates. In addition, the commodities to which the Sub-Fund's equity holdings will be exposed to may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply related events in such countries could have a disproportionate impact on the prices of such commodities and the value of the equity securities of companies.
The market value of newly issued shares may fluctuate considerably owing to factors such as the lack of a prior public market, untested trading, low number of shares available for trading or limited information on issuers.

Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.
The emerging markets are at an early stage in their development and subject to an increased risk of expropriations, nationalisations and social, political and economic uncertainty. Compared with developed markets investments in emerging markets entail increased risks in the form of liquidity squeezes, sharp currency and price fluctuations, currency export restrictions, custody and settlement risks, buying and selling restrictions, and a weak regime of financial market regulation, for example. It is therefore important that investments in the Sub-Fund are viewed as a medium to long-term investment.
Risk related to:
Emerging Markets
Dealing in securities via Stock Connect
Investments in China
Sustainability Risks
are described in section 3.2.2 “Sub-Funds’ Specific Risk Profile”.

**Investment manager**
Bank J. Safra Sarasin AG, Basel

**Risk monitoring method**
Commitment

**Investor profile**
The JSS Sustainable Equity – Strategic Materials is suited for investors with a long-term investment horizon seeking capital appreciation.
JSS Sustainable Equity - Strategic Materials is intended as a supplementary investment in equities for investors with a medium to high risk tolerance.

**Valuation Day**
Each day banks are open for business in Luxembourg and Switzerland.

**Accounting currency**
USD

**Fees payable to the Management Company**
The available share classes for the Sub-Fund are published under http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu.
The management fees for the share classes are set out in Schedule III.
Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company’s registered office or the distributors.
The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable by the investor**
Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are set out in Schedule IV.

**Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**
Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.
Payments for redemptions will ordinarily be made within two Bank Business Days of the relevant Valuation Day in the currency in which the relevant share class is denominated.

## JSS Sustainable Equity – SDG Opportunities

### General information

The Shares of JSS Sustainable Equity – SDG Opportunities have been issued for the first time on 29 September 2020.
The Management Company has entered into, amongst others, a strategic distribution relationship with Banca March S.A., Spain.

### Investment objective

The Sub-Fund seeks to achieve long-term capital appreciation through equity investments. The Sub-Fund will invest according to the Bank J. Safra Sarasin AGs proprietary sustainability matrix and focus on companies whose revenues from products and services are contributing to the United Nations ("UN") Sustainable Development Goals ("SDG") as part of the Agenda 2030.
The Reference Currency of the Sub-Fund is the Euro (EUR).

### Investment policy

JSS Sustainable Equity – SDG Opportunities invests mainly either directly (min. 67% of the Sub-Fund's assets) or indirectly in worldwide equity securities. Investments are made without any restriction as to the issuer's domicile across all market sectors.
The Sub-Fund invests mainly in large-cap companies. Large-caps are defined as all companies that are in the top 80 percentile of the free float adjusted market capitalizations at the time the investment is made. Investments in micro-caps are not intended. Micro-caps are defined as all companies with a market capitalization of less than EUR 300 million at the time the investment is made. Investments in the securities mentioned above may also be made through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs) listed on recognized exchanges and markets issued by international financial institutions.
The Sub-Fund's sustainable investment objectives are aligned with SFDR Art. 9, the Paris Agreement and J. Safra Sarasin's corresponding Climate Pledge to achieve carbon-neutrality in portfolios by 2035. For further information of the Sub-Fund under the SFDR, investors are referred to the SCHEDULE V "SFDR Disclosures".
The Sub-Fund is actively managed without replicating any benchmark. The Sub-Fund is managed without reference to any benchmark.
Provided that the requirements of Article 41 of the 2010 Law are met, the Sub-Fund may also participate in initial public offerings and is allowed to purchase up to 15% of its net assets in listed eligible China A shares via Stock Connect.
The Sub-Fund may also invest up to 20% of its net assets in liquid assets such as cash, money market instruments and fixed or floating rate debt securities with an investment grade rating.
In addition derivative instruments may be used for investment and hedging purposes in accordance with the information contained in section 3.3. "Investment restrictions" respectively 3.4 "Use of derivatives and techniques and instruments".
EUR is the accounting currency of the Sub-Fund, but a large part of the assets may be denominated in other currencies. Any foreign currency exposure is not intended to be hedged against the accounting currency.

### Risk profile

Investments in the Sub-Fund can fluctuate in value, and there is no guarantee that the Shares can be sold for the original capital amount invested.
In addition, if the investor's Reference Currency differs from the Sub-Fund's Investment Currency(ies), a currency risk exists.
As JSS Sustainable Equity – SDG Opportunities invests in equities; its performance is primarily influenced by company-specific changes and changes in the economic environment.
While micro-caps will not be part of target investments in the Sub-Fund´s portfolio, the portfolio may include investments in small- and mid-caps. Due to the lack of a consistent definition of small- and mid-caps in the various geographic areas where these investments are made, these investments may be exposed to certain fluctuations.
Shares of small- and mid-caps may be exposed to greater price fluctuations and have a low trading volume, which can be detrimental to the saleability under restricted market conditions.
Through the use of borrowing or derivatives a leverage effect can be achieved, which can trigger a corresponding increase in price fluctuations.
Risks related to

- Sustainability Risks
- Investments in China
- Dealing in securities via Stock Connect
- Emerging Markets

are described in section 3.2.2 "Sub-Funds' Specific Risk Profile".

### Investment manager

Bank J. Safra Sarasin AG, Basel

### Risk monitoring method

Commitment

### Investor profile

The JSS Sustainable Equity – SDG Opportunities is suited for investors with a medium to long-term investment horizon seeking capital appreciation. The Sub-Fund is intended as a supplementary investment in global equities for investors wishing to support future-oriented sustainable development goals and with a moderate to high risk tolerance.

### Valuation Day

Each day banks are open for business in Luxembourg and Switzerland.

### Accounting currency

EUR

**Fees payable to the Management Company**
The available share classes for the Sub-Fund are published under http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu.
The management fees for the share classes are set out in Schedule III.
Service charge of up to 0.25% p.a. for all issued share classes. The service charge actually levied is set for each share class by the Board of Directors and can be requested from the Company's registered office or the distributors.
The remuneration of the Management Company is based on the net assets calculated on each Valuation Day and is payable quarterly in arrears.

**Fees payable by the investor**
Fees payable by the investor for the purchase and sale of Shares or the issue, redemption and conversion of Shares are set out in Schedule IV.

**Special provisions relating to the issue and redemption of Shares (changes to sections 5.3 and 5.4 of the prospectus)**
Subscriptions from certain client groups (e.g. banks), which usually pay after the Shares have been issued, will also be considered when the payment is received within two Bank Business Days of the issue date.
Payments for redemptions will ordinarily be made within two Bank Business Days of the relevant Valuation Day in the currency in which the relevant share class is denominated.

**Benchmark Inventory**

Legend: n.a. not applicable
n.d.a. no data available

| Name of the Sub-fund | Name of Benchmark | Benchmark Administrator | Being an EU-Administrator | | | Being a Non EU-Administrator | | | | Third-country Benchmark |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | listed in the ESMA administrator register referred to in article 36 (i.e. ESMA public register) | not listed in the ESMA administrator register - in the process of obtaining registration pursuant to Article 34 | not listed in the ESMA administrator register - has not yet applied for authorisation or registration pursuant to Article 34 | listed in the ESMA administrator register referred to in article 36 as an administrator, who complies with the conditions laid down in article 30(1) | listed in the register referred to in articles 36 as an administrator, who has acquired recognition in accordance with article 32 | listed in the ESMA administrator register referred to endorsement under article 33 | does not comply with the conditions laid down in article 30(1) nor has it acquired recognition in accordance with article 32 | listed in the ESMA benchmark register |
| JSS Multi Asset – Global Income | none | none | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| JSS Bond – Global Convertibles | FTSE Global Focus Hedged Convertible Bond Index USD | Refinitiv Benchmark Services Limited | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | Yes. | n.a. |
| JSS Bond – Global High Yield | ICE BofA Global High Yield Index USD hedged | ICE Data Indices, LLC | n.a. | n.a | n.a | n.a | n.a | n.a | Yes. | n.a |
| JSS Equity – Global Multifactor | MSCI World NR Index | MSCI Limited | n.a. | n.a | n.a | n.a | n.a | n.a | Yes | n.a |
| | | | | | | | | | | |
| JSS Sustainable Equity – Future Health | none | none | n.a | n.a | n.a | n.a | n.a | n.a | n.a | n.a |
| JSS Equity - India | MSCI India NR Index | MSCI Limited | n.a. | n.a | n.a | n.a | n.a | n.a | Yes | n.a |
| JSS Sustainable Equity – SDG Opportunities | none | none | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

**Schedule I**

| Name of the Sub-fund | Name of Benchmark | Benchmark Administrator | Being an EU-Administrator | | | Being a Non EU-Administrator | | | | Third-country Benchmark |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | listed in the ESMA administrator register referred to in article 36 (i.e. ESMA public register) | not listed in the ESMA administrator register - in the process of obtaining registration pursuant to Article 34 | not listed in the ESMA administrator register - has not yet applied for authorisation or registration pursuant to Article 34 | listed in the ESMA administrator register referred to in article 36 as an administrator, who complies with the conditions laid down in article 30(1) | listed in the register referred to in articles 36 as an administrator, who has acquired recognition in accordance with article 32 | listed in the ESMA administrator register referred to endorsement under article 33 | does not comply with the conditions laid down in article 30(1) nor has it acquired recognition in accordance with article 32 | listed in the ESMA benchmark register |
| JSS Sustainable Equity - Strategic Materials | none | none | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

## Benchmark Disclaimers

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MSCI-Indices

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**Overview Maximum Management Fees payable to the Management Company**

| Sub-Fund | Management Fee Max. | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | for classes that begin with P-, E-: | for classes that begin with C-: | for classes that begin with I-: | for classes that begin with Y-: | for classes that begin with F-: | for classes that begin with M-: | for classes that begin with S-: | for classes that begin with BM-: |
| JSS Multi Asset - Global Income | 2.00% | 1.50% | 1.30% | 1.10% | 1.20% | 0.12% | 1.30% | n. z. |
| JSS Bond - Global Convertibles | 2.00% | 1.50% | 1.00% | n. z. | 1.00% | n. z. | 1.00% | n. z. |
| JSS Bond - Global High Yield | 1.50% | 1.30% | 1.00% | 1.00% | 1.00% | 0.12% | 1.00% | n. z. |
| JSS Equity – Global Multifactor | 2.00% | 1.50% | 1.00% | 1.00% | 1.20% | 0.12% | 1.00% | n. z. |
| | | | | | | | | |
| JSS Sustainable Equity - Future Health | 2.00% | 1.50% | 1.00% | 1.00% | 1.20% | 0.12% | 1.00% | n. z. |
| JSS Equity - India | 2.00% | 1.70% | 1.20% | n. z. | 1.20% | n. z. | 1.20% | n. z. |
| JSS Sustainable Equity - SDG Opportunities | 2.00% | 1.50% | 1.00% | 1.00% | 1.20% | 0.12% | 1.00% | 2.00% |
| JSS Sustainable Equity - Strategic Materials | 1.75% | 1.50% | 1.00% | 1.00% | 1.20% | 0.12% | 1.00% | n. z. |

The indication of the max. management fee in the table above is of a general nature and does not imply, that all such share classes already exist for each sub-fund.

**Sub-funds with share classes that differ from the table above**

| Sub-Fund | Max. Management Fee |
|---|---|
| JSS Bond - Global High Yield | I = 1.00%, I3 = 1.00%, I10 = 0.90%, I30 = 1.00%, I50 = 1.00%, I100 = 1.00% |
| JSS Sustainable Equity - Future Health | P = 2.00%, E = 1.80%, EI = 1.80%<br>I = 1.00%, I3 = 1.00%, I10 = 1.10%, I30 = 1.00%, I50 = 1.00%, I100 = 1.00% |
| JSS Equity - India | I = 1.20%, I3 = 1.20%, I10 = 1.10%, I30 = 1.20%, I50 = 1.20%, I100 = 1.20% |
| JSS Sustainable Equity - SDG Opportunities | BM-P = 2.00%, BM-X = 1.50%, BM-I = 1.50% |

**Overview Fees Payable by the Investor for the Purchase and Sale of Shares or the Issue, Redemption and Conversion of Shares**

| Sub-Fund | Redemption Commission | Conversion Commission | Issue Commission Max. | |
|---|---|---|---|---|
| | | | for classes that begin with P-, C-, E-, BM-P: | for classes that begin with I-, Y-, M-, F-, S-, BM-X, BM-I: |
| For all Sub-Funds as listed in section B. “The Sub-Funds” | none | none | 3.00% | none |

# SFDR Disclosures

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name**: JSS Investmentfonds II - JSS Multi Asset - Global Income

**Legal entity identifier**: 5493008ZD7MT7X45ZR49

# Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

| ☐ Yes | ☒ No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: % | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40.00% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** __% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The social characteristics promoted by this financial product include various aspects such as tackling inequality, fostering social cohesion, social integration and labour relations, and investing in economically or socially disadvantaged communities. This product's sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) (“JSS Exclusion Policy”):

Controversial Weapons: Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue threshold for coal miners, 10% for coal power generation and 10% for the sum of both.);

Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

Tobacco: Producers of tobacco products (revenue threshold: 5%);

Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

The product invests in issuers that meet minimum requirements in terms of ESG profile. The ESG profile is assessed according to the proprietary JSS Sustainability Matrix, which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals ("SDG revenues") or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product's environmental or social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The product's attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the JSS Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for integrated sustainable strategies.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

(Until August 31st, 2025)

The sustainable investments of the product contribute to one or more environmental and/or social objectives while not causing significant harm. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

A corporate issuer is deemed a sustainable investment if either (1) at least 5% of the issuer's revenues align with at least one of the UN Sustainable Development Goals ("UN SDGs"), or (2) if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if (3) the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative ("SBTi") or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research. Finally, the corporate issuer must pass the DNSH and good governance tests.

A sovereign issuer is deemed a sustainable investment if it either (1) outperforms its peers on the environmental or social pillar score, or (2) has significant SDG revenues (SDG revenues aggregated across all companies within a country normalized by the country's GDP), or (3) has a positive SDG revenue trend. Finally, the sovereign issuer must pass the DNSH and good governance tests. Finally, the security's issuer must pass the DNSH and good governance tests.

(Valid from September 1st, 2025)

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A security is also a sustainable investment if it is a labelled bond (green, social or sustainable) or sustainability-linked bond defined by market standards, such as the International Capital Market Association (ICMA) Green Bond, Social Bond, Sustainability Bond or Sustainability-Linked Principles. Finally, the security's issuer must pass the DNSH and good governance tests.

For further details see the JSS Sustainable Investment Policy:

https://www.jsafrasarasin.com/content/dam/jsafrasarasin/expertise/sustainable/documents/jss__sustainable_investment_policy.pdf.coredownload.inline.pdf

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti—corruption and anti—bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

(Until August 31st, 2025)

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. A corporate issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If a corporate issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

A sovereign issuer passes the DNSH test if it has a JSS ESG Rating of A.

(Valid from September 1st, 2025)

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A sovereign issuer fails the DNSH test if it has a JSS ESG Rating of C or D, or high greenhouse gas emissions, or has the Death Penalty combined with weak rule of law, or lacks freedom of expression.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement and/or voting. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators is available on the website. At product level, this will be included in the annual report.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children’s Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy- aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement and/or voting. Further information about the consideration of principal adverse impacts is available in the annual report.

☐ No

## What investment strategy does this financial product follow?

This financial product seeks to minimize the risks and exploit the opportunities associated with sustainability megatrends such as resource shortages, demographic change, climate change, accountability, etc. The process of selecting sustainable securities focuses on issuers that are leading providers in their respective peer group when it comes to solid corporate governance, strategic management of environmental issues and proactive stakeholder relationships. Investments in securities aim at selecting securities issued by countries, organisations and companies that contribute towards sustainable business practices. These institutions are distinguished by the fact that they make lower and/or more efficient use of environmental and social resources. The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers to D-rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager applies the following binding criteria in its strategy:

(a) Excluding investments in controversial business activities according to the JSS Exclusion Policy;

(b) Achieving an above-average ESG profile. This product will not invest in C- or D- rated issuers.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy ?***

Not applicable, there is no commitment for a minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

(Until August 31st, 2025)

A corporate issuer is rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

A sovereign issuer passes the good governance test if it has a JSS ESG Rating of A.

(Valid from September 1st, 2025)

A corporate issuer is rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.
A sovereign issuer fails the good governance test if it lacks commitment to global ABC weapons treaties, or has high levels of corruption, or has tax practices deemed non-cooperative by the EU.

## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product, i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B, is at least 90%. The category "#1 A Sustainable" covers a minimum of 40% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Other". The minimum share of sustainable investments consists of at least 1% of environmentally sustainable investments and at least 1% of socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx)

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable, derivatives are not used to attain the environmental or social characteristics promoted by the financial product.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This financial product does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[(1)]?**

☐ Yes:

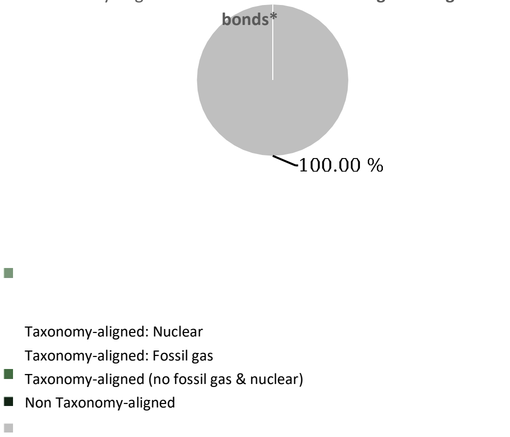
☐ In fossil gas ☐ In nuclear energy

☒ No

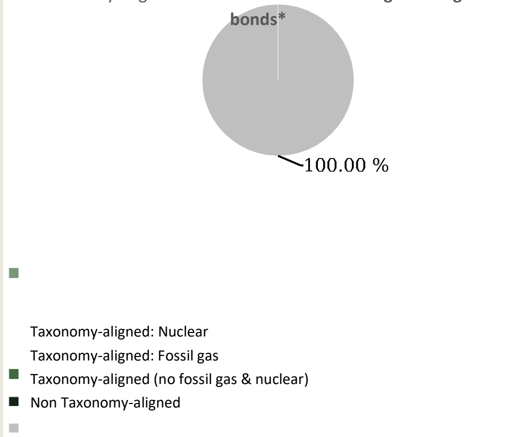
(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100.00 % of the total investments.

**For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low — carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***What is the minimum share of investments in transitional and enabling activities?***

Minimum share of investments in transitional activities: 0.00%

Minimum share of investments in enabling activities: 0.00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Minimum share of investments in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy: 1.00%The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

## What is the minimum share of socially sustainable investments?

Minimum share of socially sustainable investments: 1.00%

## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The product's cash balance and derivatives are included under "#2 Other" the primary purpose of which is to hedge risks. There is currently no agreed methodology to consider ESG criteria for these asset classes. Also included are investments that cannot be assessed as aligned with E and S characteristics due to insufficient data. As a minimum safeguard, these investments comply with the JSS exclusion policy and do not breach defined revenue thresholds.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

https://www.jsafrasarasin.com/content/jsafrasarasin/language-masters/en/company/locations/country-pages/Fund-Management-Luxembourg-SA/Sustainable-Finance-Disclosure-Regulation- SFDR.html

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name**: JSS Investmentfonds II - JSS Bond - Global Convertibles

**Legal entity identifier**: 22210048B0TAKR3HTD68

# Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**:_% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40.00% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** __% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The social characteristics promoted by this financial product include various aspects such as tackling inequality, fostering social cohesion, social integration and labour relations, and investing in economically or socially disadvantaged communities. This product's sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) ("JSS Exclusion Policy"):

Controversial Weapons: Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue threshold for coal miners, 10% for coal power generation and 10% for the sum of both.);

Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

Tobacco: Producers of tobacco products (revenue threshold: 5%);

Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

The product invests in issuers that meet minimum requirements in terms of ESG profile. The ESG profile is assessed according to the proprietary JSS Sustainability Matrix, which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals (“SDG revenues”) or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product’s environmental or social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  The product’s attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the JSS Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for integrated sustainable strategies.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  (Until August 31st, 2025)

  The sustainable investments of the product contribute to one or more environmental and/or social objectives while not causing significant harm. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

  A corporate issuer is deemed a sustainable investment if either (1) at least 5% of the issuer's revenues align with at least one of the UN Sustainable Development Goals ("UN SDGs"), or (2) if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if (3) the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative (“SBTi”) or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research. Finally, the corporate issuer must pass the DNSH and good governance tests.

A sovereign issuer is deemed a sustainable investment if it either (1) outperforms its peers on the environmental or social pillar score, or (2) has significant SDG revenues (SDG revenues aggregated across all companies within a country normalized by the country's GDP), or (3) has a positive SDG revenue trend. Finally, the sovereign issuer must pass the DNSH and good governance tests.

A security is also a sustainable investment if it is a labelled bond (green, social or sustainable) or sustainability-linked bond defined by market standards, such as the International Capital Market Association (ICMA) Green Bond, Social Bond, Sustainability Bond or Sustainability-Linked Principles. Finally, the security's issuer must pass the DNSH and good governance tests.

(Valid from September 1st, 2025)

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For further details see the JSS Sustainable Investment Policy:

https://www.jsafrasarasin.com/content/dam/jsafrasarasin/expertise/sustainable/documents/jss_sustainable_investment_policy.pdf.coredownload.inline.pdf

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

(Until August 31st, 2025)

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. A corporate issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If a corporate issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

A sovereign issuer passes the DNSH test if it has a JSS ESG Rating of A.

(Valid from September 1st, 2025)

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti—corruption and anti—bribery matters.

with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators.

A corporate issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If a corporate issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

A sovereign issuer fails the DNSH test if it has a JSS ESG Rating of C or D, or high greenhouse gas emissions, or has the Death Penalty combined with weak rule of law, or lacks freedom of expression.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement and/or voting. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators is available on the website. At product level, this will be included in the annual report.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children's Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy- aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement and/or voting. Further information about the consideration of principal adverse impacts is available in the annual report.

☐ No

## What investment strategy does this financial product follow?

The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers to D- rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager applies the following binding criteria in its strategy:

(a) Excluding investments in controversial business activities according to the JSS Exclusion Policy;

(b) Achieving an above-average ESG profile. This product will not invest in C- or D- rated issuers.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The investment manager's ESG approach reduces the investment universe of issuers for which ESG data is available by at least 20%.

***What is the policy to assess good governance practices of the investee companies?***

(Until August 31st, 2025)

A corporate issuer is rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology

and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.
A sovereign issuer passes the good governance test if it has a JSS ESG Rating of A.

(Valid from September 1st, 2025)

A corporate issuer is rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

A sovereign issuer fails the good governance test if it lacks commitment to global ABC weapons treaties, or has high levels of corruption, or has tax practices deemed non- cooperative by the EU.

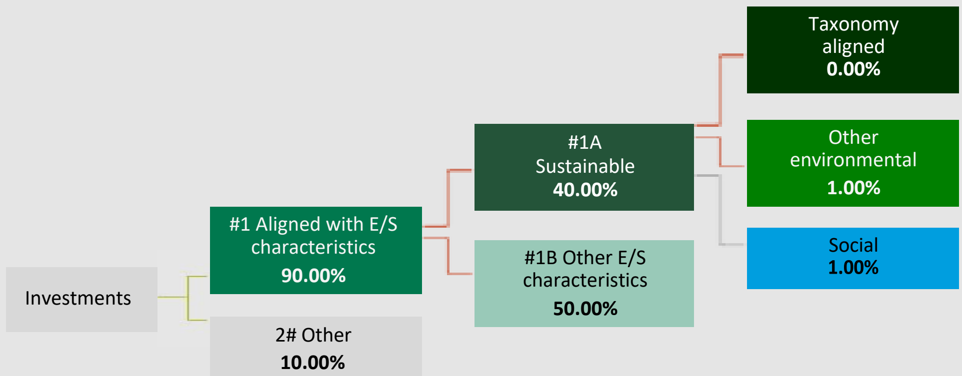
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product, i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B, is at least 90%. The category "#1 A Sustainable" covers a minimum of 40% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Other". The minimum share of sustainable investments consists of at least 1% of environmentally sustainable investments and at least 1% of socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable, derivatives are not used to attain the environmental or social characteristics promoted by the financial product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This financial product does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy(1)?**

☐ Yes:

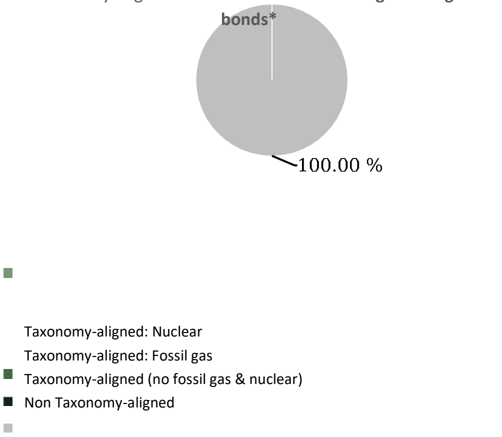
☐ In fossil gas ☐ In nuclear energy

☒ No

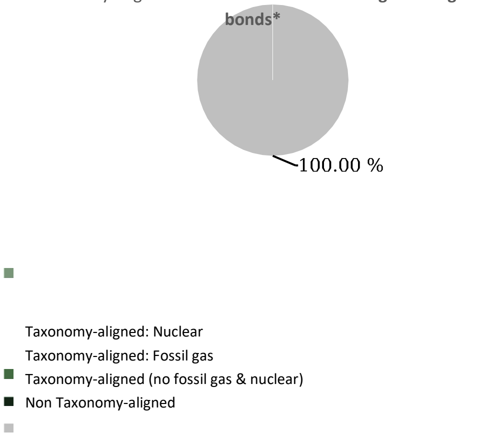
(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100.00 % of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low— carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***What is the minimum share of investments in transitional and enabling activities?***

Minimum share of investments in transitional activities: 0.00%

Minimum share of investments in enabling activities: 0.00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Minimum share of investments in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy: 1.00%

The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

## What is the minimum share of socially sustainable investments?

Minimum share of socially sustainable investments: 1.00%

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Included under "#2 Other" are:

- Cash at sight (sight or call deposits) needed to manage the liquidity of the financial product following subscriptions/redemptions and/or to manage market exposure.

- Derivatives used for hedging and/or efficient portfolio management purposes and/ or for temporarily managing exposure following subscriptions/redemption.

- Investments that cannot be assessed as aligned with E and S characteristics due to insufficient data. As a minimum safeguard, these investments comply with the JSS exclusion policy and do not breach defined revenue thresholds.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

### Where can I find more product specific information online?

**More product-specific information can be found on the website:**

https://www.jsafrasarasin.com/content/jsafrasarasin/language-masters/en/company/locations/country-pages/Fund-Management-Luxembourg-SA/Sustainable-Finance-Disclosure-Regulation- SFDR.html

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name**: JSS Investmentfonds II - JSS Bond - Global High Yield

**Legal entity identifier**: 549300OKEY3TEDF0EB15

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**:_% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10.00% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** __% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The social characteristics promoted by this financial product include various aspects such as tackling inequality, fostering social cohesion, social integration and labour relations, and investing in economically or socially disadvantaged communities. This product's sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) (“JSS Exclusion Policy”):

Controversial Weapons: Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue threshold for coal miners, 10% for coal power generation and 10% for the sum of both.);

Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

Tobacco: Producers of tobacco products (revenue threshold: 5%);

Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

The product invests in issuers that meet minimum requirements in terms of ESG profile. The ESG profile is assessed according to the proprietary JSS Sustainability Matrix, which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals ("SDG revenues") or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product's environmental or social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  The product's attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the JSS Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for integrated sustainable strategies.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  (Until August 31st, 2025)

  The sustainable investments of the product contribute to one or more environmental and/or social objectives while not causing significant harm. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

  A corporate issuer is deemed a sustainable investment if either (1) at least 5% of the issuer's revenues align with at least one of the UN Sustainable Development Goals ("UN SDGs"), or (2) if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if (3) the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative ("SBTi") or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research. Finally, the corporate issuer must pass the DNSH and good governance tests.

  A sovereign issuer is deemed a sustainable investment if it either (1) outperforms its peers on the environmental or social pillar score, or (2) has significant SDG revenues (SDG revenues aggregated across all companies within a country normalized by the country's GDP), or (3) has a positive SDG revenue trend. Finally, the sovereign issuer must pass the DNSH and good governance tests.

A security is also a sustainable investment if it is a labelled bond (green, social or sustainable) or sustainability-linked bond defined by market standards, such as the International Capital Market Association (ICMA) Green Bond, Social Bond, Sustainability Bond or Sustainability-Linked Principles. Finally, the security's issuer must pass the DNSH and good governance tests.

(Valid from September 1st, 2025)

The sustainable investments of the product contribute to one or more environmental and/or social objectives while not causing significant harm. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

A corporate issuer is deemed a sustainable investment if either (1) at least 5% of the issuer's revenues align with at least one of the UN Sustainable Development Goals ("UN SDGs"), or (2) if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if (3) the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative ("SBTi") or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research. Finally, the corporate issuer must pass the DNSH and good governance tests.

A sovereign issuer is deemed a sustainable investment if it either (1) outperforms its peers on the environmental or social pillar score, or (2) has significant SDG revenues (SDG revenues aggregated across all companies within a country normalized by the country's GDP), or (3) has at least average SDG revenues and a positive SDG revenue trend, or (4) is a member state of the EU. Finally, the sovereign issuer must pass the DNSH and good governance tests.

A security is also a sustainable investment if it is a labelled bond (green, social or sustainable) or sustainability-linked bond defined by market standards, such as the International Capital Market Association (ICMA) Green Bond, Social Bond, Sustainability Bond or Sustainability-Linked Principles. Finally, the security's issuer must pass the DNSH and good governance tests.

For further details see the JSS Sustainable Investment Policy:

https://www.jsafrasarasin.com/content/dam/jsafrasarasin/expertise/sustainable/documents/jss__sustainable_investment_policy.pdf.coredownload.inline.pdf

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti—corruption and anti—bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

(Until August 31st, 2025)

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. A corporate issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If a corporate issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

A sovereign issuer passes the DNSH test if it has a JSS ESG Rating of A.

(Valid from September 1st, 2025)

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators.

A corporate issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If a corporate issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

A sovereign issuer fails the DNSH test if it has a JSS ESG Rating of C or D, or high greenhouse gas emissions, or has the Death Penalty combined with weak rule of law, or lacks freedom of expression.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement and/or voting. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators is available on the website. At product level, this will be included in the annual report.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children's Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy- aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement and/or voting. Further information about the consideration of principal adverse impacts is available in the annual report.

☐ No

## What investment strategy does this financial product follow?

The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers to D- rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager applies the following binding criteria in its strategy:

(a) Excluding investments in controversial business activities according to the JSS Exclusion Policy;

(b) Achieving an above-average ESG profile. This product will not invest in C- or D- rated issuers.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The investment manager’s ESG approach reduces the investment universe of issuers for which ESG data is available by at least 20%.

- ***What is the policy to assess good governance practices of the investee companies?***

(Until August 31st, 2025)

A corporate issuer is rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

A sovereign issuer passes the good governance test if it has a JSS ESG Rating of A.

(Valid from September 1st, 2025)

A corporate issuer is rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

A sovereign issuer fails the good governance test if it lacks commitment to global ABC weapons treaties, or has high levels of corruption, or has tax practices deemed non- cooperative by the EU.

**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product, i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B, is at least 90%. The category "#1 A Sustainable" covers a minimum of 10% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Other". The minimum share of sustainable investments consists of at least 1% of environmentally sustainable investments and at least 1% of socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
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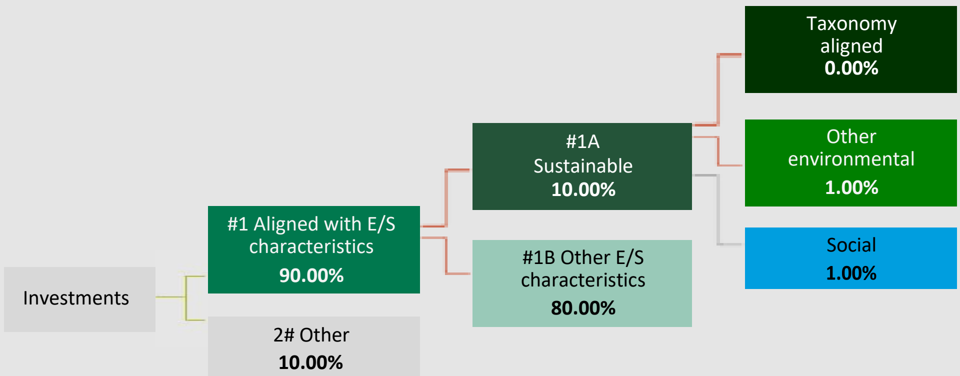
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable, derivatives are not used to attain the environmental or social characteristics promoted by the financial product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This financial product does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy(1)?**

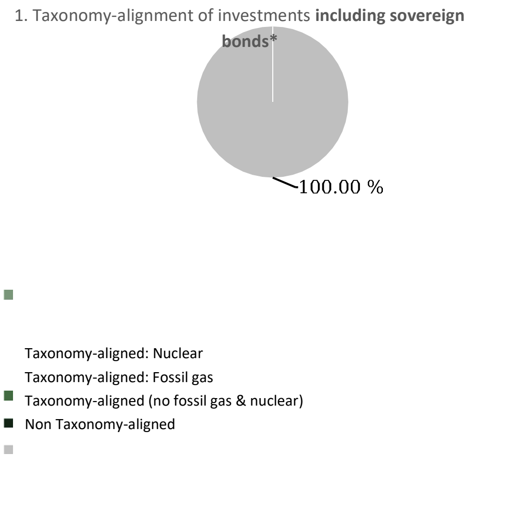
☐ Yes:

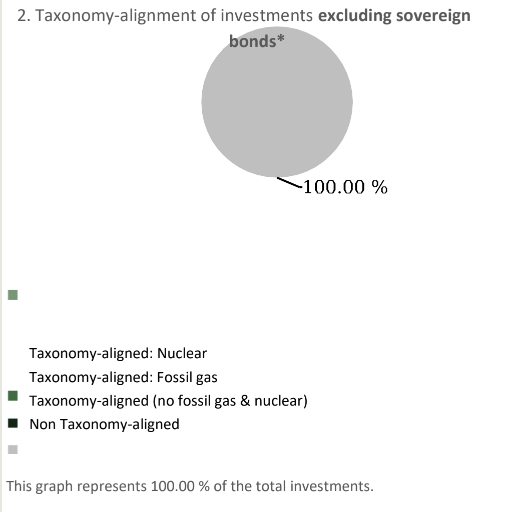
☐ In fossil gas ☐ In nuclear energy

☒ No

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low— carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***What is the minimum share of investments in transitional and enabling activities?***

Minimum share of investments in transitional activities: 0.00%

Minimum share of investments in enabling activities: 0.00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Minimum share of investments in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy: 1.00%The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

## What is the minimum share of socially sustainable investments?

Minimum share of socially sustainable investments: 1.00%

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included under "#2 Other" are:

- Cash at sight (sight or call deposits) needed to manage the liquidity of the financial product following subscriptions/redemptions and/or to manage market exposure.

- Derivatives used for hedging and/or efficient portfolio management purposes and/ or for temporarily managing exposure following subscriptions/redemption.

- Investments that cannot be assessed as aligned with E and S characteristics due to insufficient data. As a minimum safeguard, these investments comply with the JSS exclusion policy and do not breach defined revenue thresholds.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

https://www.jsafrasarasin.com/content/jsafrasarasin/language-masters/en/company/locations/country-pages/Fund-Management-Luxembourg-SA/Sustainable-Finance-Disclosure-Regulation- SFDR.html

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name**: JSS Investmentfonds II - JSS Equity Global Multifactor

**Legal entity identifier**: 549300WJO7SSJR381K18

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: % | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40.00% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** __% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The social characteristics promoted by this financial product include various aspects such as tackling inequality, fostering social cohesion, social integration and labour relations, and investing in economically or socially disadvantaged communities. This product's sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) ("JSS Exclusion Policy"):

Controversial Weapons: Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue threshold for coal miners, 10% for coal power generation and 10% for the sum of both.);

Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

Tobacco: Producers of tobacco products (revenue threshold: 5%);

Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

The product invests in issuers that meet minimum requirements in terms of ESG profile. The ESG profile is assessed according to the proprietary JSS Sustainability Matrix, which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals (“SDG revenues”) or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product’s environmental or social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The product’s attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the JSS Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for integrated sustainable strategies.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investments of the product contribute to one or more environmental and/or social objectives. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

An issuer can contribute to an environmental or social objective if its products facilitate the achievement of one or more of the UN Sustainable Development Goals as determined by a proportion of the issuers’ revenues (at least 5%) that align with one of the environmental or social goals, or if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative (“SBTi”). In addition, for bonds, the security also passes if it is a sustainable or sustainability- linked bond in the environmental or social category.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti—corruption and anti—bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. An issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability

Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If an issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") SBTi approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement and/or voting. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators is available on the website. At product level, this will be included in the annual report.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children's Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy- aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement and/or voting. Further information about the consideration of principal adverse impacts is available in the annual report.

☐ No

## What investment strategy does this financial product follow?

This financial product seeks to minimize the risks and exploit the opportunities associated with sustainability megatrends such as resource shortages, demographic change, climate change, accountability, etc. The process of selecting sustainable securities focuses on issuers that are leading providers in their respective peer group when it comes to solid corporate governance, strategic management of environmental issues and proactive stakeholder relationships. Controversial business activities or those violating international norms are usually excluded. The product champions sustainable development through its stock selection process and its active shareholder engagement (dialogue with company managements and exercising of voting rights). The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers to D- rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager applies the following binding criteria in its strategy:

(a) Excluding investments in controversial business activities according to the JSS Exclusion Policy;

(b) Achieving an above-average ESG profile. This product will not invest in C- or D- rated issuers.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

  The investment manager's ESG approach reduces the investment universe of issuers for which ESG data is available by at least 20%.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

  Investee companies are rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

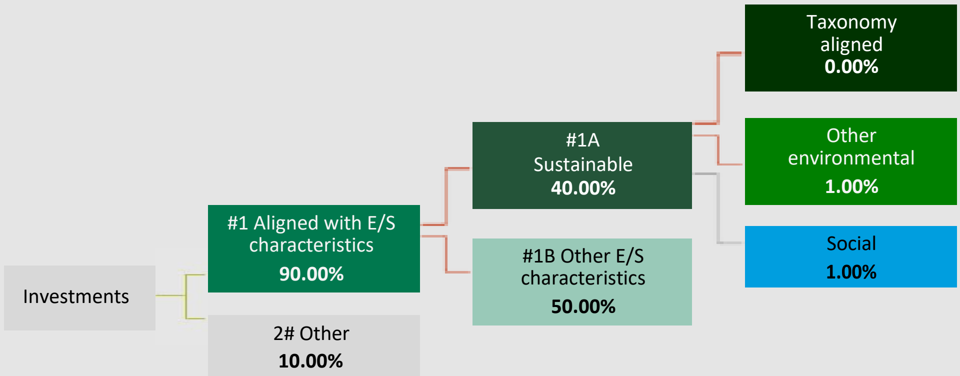
**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product, i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B, is at least 90%. The category "#1 A Sustainable" covers a minimum of 40% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Other". The minimum share of sustainable investments consists of at least 1% of environmentally sustainable investments and at least 1% of socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable, derivatives are not used to attain the environmental or social characteristics promoted by the financial product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This financial product does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

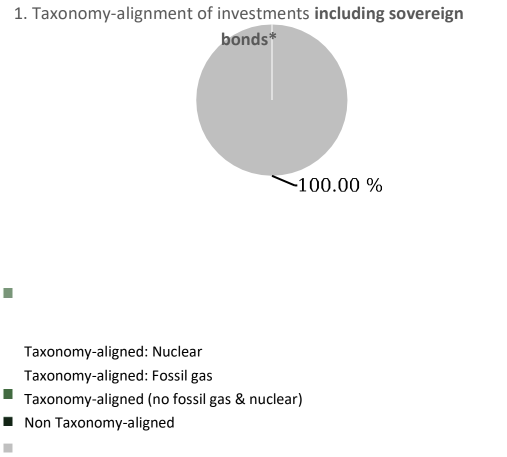
☐ Yes:

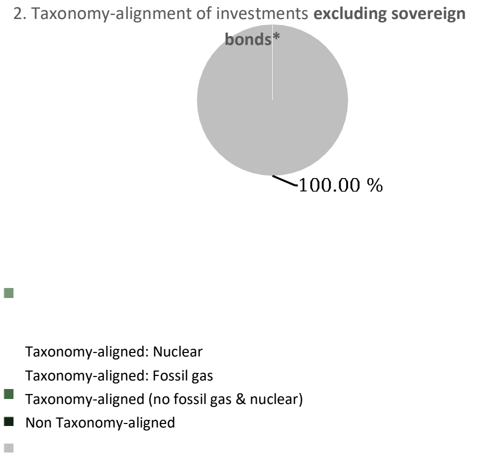
☐ In fossil gas ☐ In nuclear energy

☒ No

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




This graph represents 100.00 % of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low—carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***What is the minimum share of investments in transitional and enabling activities?***

Minimum share of investments in transitional activities: 0.00%

Minimum share of investments in enabling activities: 0.00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Minimum share of investments in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy: 1.00%

The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

## What is the minimum share of socially sustainable investments?

Minimum share of socially sustainable investments: 1.00%

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The product's cash balance and derivatives are included under "#2 Other" the primary purpose of which is to hedge risks. There is currently no agreed methodology to consider ESG criteria for these asset classes. Also included are investments that cannot be assessed as aligned with E and S characteristics due to insufficient data. As a minimum safeguard, these investments comply with the JSS exclusion policy and do not breach defined revenue thresholds.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

https://www.jsafrasarasin.com/content/jsafrasarasin/language-masters/en/company/locations/country-pages/Fund-Management-Luxembourg-SA/Sustainable-Finance-Disclosure-Regulation- SFDR.html

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name**: JSS Investmentfonds II - JSS Sustainable Equity - Future Health

**Legal entity identifier**: 549300B5IKNNS72C8I93

# Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**:_% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50.00% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The social characteristics promoted by this financial product include various aspects such as tackling inequality, fostering social cohesion, social integration and labour relations, and investing in economically or socially disadvantaged communities. This product's sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) (“JSS Exclusion Policy”):

Controversial Weapons: Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue threshold for coal miners, 10% for coal power generation and 10% for the sum of both.);

Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

Tobacco: Producers of tobacco products (revenue threshold: 5%);

Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

In accordance with the ESMA naming guidelines for funds with ESG or sustainability-related terms, the product also applies the Paris-Aligned Benchmark (PAB) exclusions. For products that invest in green bonds, investments in European Green Bonds and other green bonds, where on a look-through approach the activities financed are not relevant for the exclusions are exempt from this restriction.

The product invests in issuers that meet minimum requirements in terms of ESG profile. The ESG profile is assessed according to the proprietary JSS Sustainability Matrix, which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals ("SDG revenues") or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product's environmental or social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The product's attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the JSS Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for integrated sustainable strategies.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investments of the product contribute to one or more environmental and/or social objectives. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

An issuer can contribute to an environmental or social objective if its products facilitate the achievement of one or more of the UN Sustainable Development Goals as determined by a proportion of the issuers' revenues (at least 5%) that align with one of the environmental or social goals, or if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative ("SBTi"). In addition, for bonds, the security also passes if it is a sustainable or sustainability-linked bond in the environmental or social category.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. An issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If an issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") SBTi approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement and/or voting. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators is available on the website. At product level, this will be included in the annual report.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children's Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy- aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement and/or voting. Further information about the consideration of principal adverse impacts is available in the annual report.

☐ No

## What investment strategy does this financial product follow?

This financial product seeks to minimize the risks and exploit the opportunities associated with sustainability megatrends such as resource shortages, demographic change, climate change, accountability, etc. The process of selecting sustainable securities focuses on issuers that are leading providers in their respective peer group when it comes to solid corporate governance, strategic management of environmental issues and proactive stakeholder relationships. Controversial business activities or those violating international norms are usually excluded. The product champions sustainable development through its stock selection process and its active shareholder engagement (dialogue with company managements and exercising of voting rights). The product invests at least 75% of its assets in securities using a best-in-class ESG approach. The remaining securities are screened using a worst-out (negative ESG screening) approach. The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers to D- rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager applies the following binding criteria in its strategy:

(a) Excluding investments in controversial business activities according to the JSS Exclusion Policy. The following additional exclusions (with revenue thresholds) apply:

-Non-conventional Oil and Gas activities: tar sands and fracking (revenue threshold: 5%);

(b) Achieving an above-average ESG profile. This product will not invest in C- or D-rated issuers;

(c) In accordance with the ESMA naming guidelines for funds with ESG or sustainability-related terms, the product also applies the Paris-Aligned Benchmark (PAB) exclusions. For products that invest in green bonds, investments in European Green Bonds and other green bonds, where on a look-through approach the activities financed are not relevant for the exclusions are exempt from this restriction.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The investment manager's ESG approach reduces the investment universe of issuers for which ESG data is available by at least 20%.

***What is the policy to assess good governance practices of the investee companies?***

Investee companies are rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

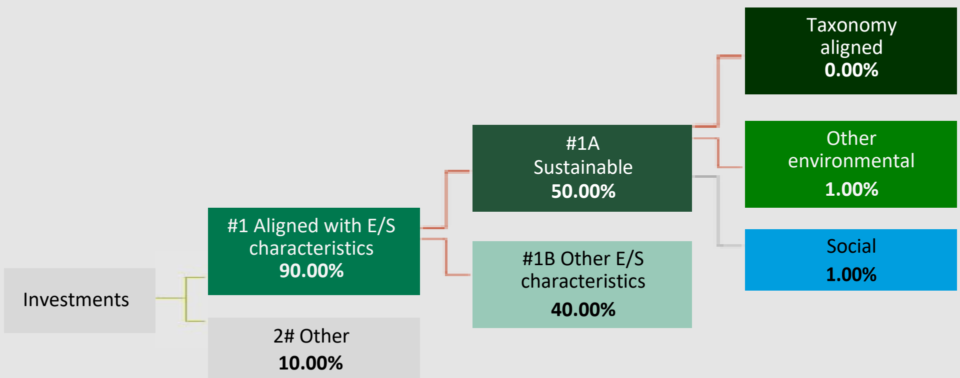
**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product, i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B, is at least 90%. The category "#1 A Sustainable" covers a minimum of 50% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Other". The minimum share of sustainable investments consists of at least 1% of environmentally sustainable investments and at least 1% of socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted***

***by the financial product?***

Not applicable, derivatives are not used to attain the environmental or social characteristics promoted by the financial product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This financial product does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy(1)?**

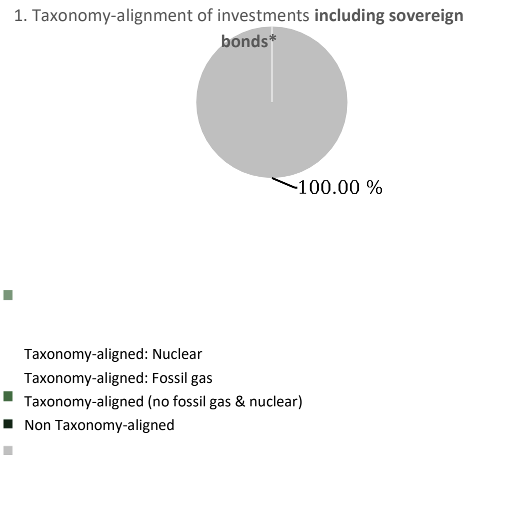
☐ Yes:

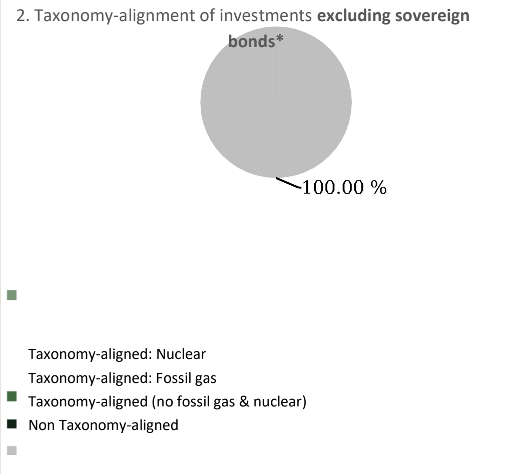
☐ In fossil gas ☐ In nuclear energy

☒ No

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




This graph represents 100.00 % of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low— carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***What is the minimum share of investments in transitional and enabling activities?***

Minimum share of investments in transitional activities: 0.00%

Minimum share of investments in enabling activities: 0.00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Minimum share of investments in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy: 1.00%

The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments. These investments may be aligned with the EU Taxonomy but the Investment Manager is not currently in a position to specify the exact proportion of the portfolio's underlying investments as calculated according to the EU Taxonomy. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

### What is the minimum share of socially sustainable investments?

Minimum share of socially sustainable investments: 1.00%

## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The product's cash balance and derivatives are included under "#2 Other" the primary purpose of which is to hedge risks. There is currently no agreed methodology to consider ESG criteria for these asset classes. Also included are investments that cannot be assessed as aligned with E and S characteristics due to insufficient data. As a minimum safeguard, these investments comply with the JSS exclusion policy and do not breach defined revenue thresholds.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

https://www.jsafrasarasin.com/content/jsafrasarasin/language-masters/en/company/locations/country-pages/Fund-Management-Luxembourg-SA/Sustainable-Finance-Disclosure-Regulation- SFDR.html

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name**: JSS Investmentfonds II - JSS Equity - India

**Legal entity identifier**: 549300RB7SK6JX822C20

# Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

| ☐ Yes | ☒ No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**:_% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10.00% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** __% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The social characteristics promoted by this financial product include various aspects such as tackling inequality, fostering social cohesion, social integration and labour relations, and investing in economically or socially disadvantaged communities. This product's sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) (“JSS Exclusion Policy”):

Controversial Weapons: Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue threshold for coal miners, 10% for coal power generation and 10% for the sum of both.);

Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

Tobacco: Producers of tobacco products (revenue threshold: 5%);

Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

The product invests in issuers that meet minimum requirements in terms of ESG profile. The ESG profile is assessed according to the proprietary JSS Sustainability Matrix, which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals ("SDG revenues") or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product's environmental or social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  The product's attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the JSS Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for integrated sustainable strategies.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The sustainable investments of the product contribute to one or more environmental and/or social objectives. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

  An issuer can contribute to an environmental or social objective if its products facilitate the achievement of one or more of the UN Sustainable Development Goals as determined by a proportion of the issuers' revenues (at least 5%) that align with one of the environmental or social goals, or if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative ("SBTi"). In addition, for bonds, the security also passes if it is a sustainable or sustainability- linked bond in the environmental or social category.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti—corruption and anti—bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. An issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability

Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If an issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") SBTi approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement and/or voting. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators is available on the website. At product level, this will be included in the annual report.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children's Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy- aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement and/or voting. Further information about the consideration of principal adverse impacts is available in the annual report.

☐ No

## What investment strategy does this financial product follow?

Due to the lack of data for Indian issuers, the product may invest up to 10% of its assets in companies which are not covered by an ESG rating. The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers to D-rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager applies the following binding criteria in its strategy:

(a) Excluding investments in controversial business activities according to the JSS Exclusion Policy;

(b) Achieving an above-average ESG profile. This product will not invest in C- or D- rated issuers.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable, there is no commitment for a minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Investee companies are rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

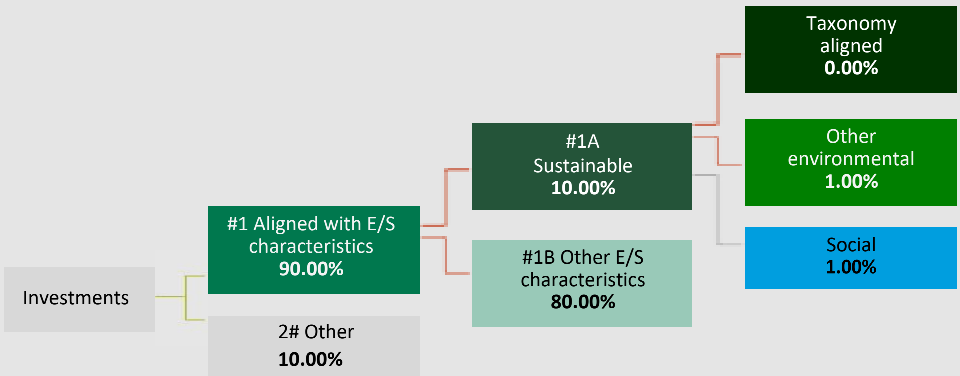
**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

## What is the asset allocation planned for this financial product?

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product, i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B, is at least 90%. The category "#1 A Sustainable" covers a minimum of 10% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Other". The minimum share of sustainable investments consists of at least 1% of environmentally sustainable investments and at least 1% of socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable, derivatives are not used to attain the environmental or social characteristics promoted by the financial product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This financial product does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[(1)]?**

☐ Yes:

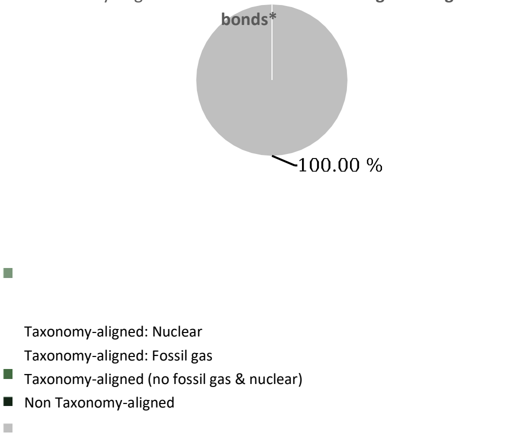
☐ In fossil gas ☐ In nuclear energy

☒ No

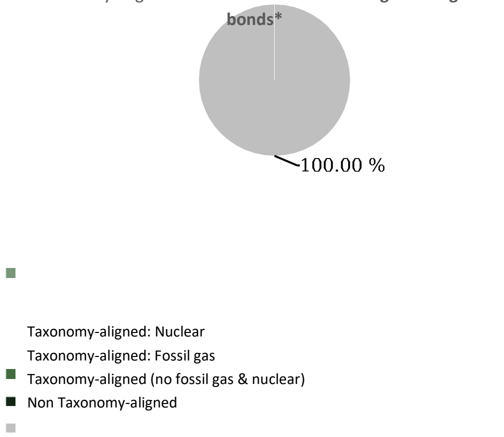
(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100.00 % of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low—carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***What is the minimum share of investments in transitional and enabling activities?***

Minimum share of investments in transitional activities: 0.00%

Minimum share of investments in enabling activities: 0.00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Minimum share of investments in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy: 1.00%

The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

## What is the minimum share of socially sustainable investments?

Minimum share of socially sustainable investments: 1.00%

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The product's cash balance and derivatives are included under "#2 Other" the primary purpose of which is to hedge risks. There is currently no agreed methodology to consider ESG criteria for these asset classes. Also included are investments that cannot be assessed as aligned with E and S characteristics due to insufficient data. As a minimum safeguard, these investments comply with the JSS exclusion policy and do not breach defined revenue thresholds.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

### Where can I find more product specific information online?

**More product-specific information can be found on the website:**

https://www.jsafrasarasin.com/content/jsafrasarasin/language-masters/en/company/locations/country-pages/Fund-Management-Luxembourg-SA/Sustainable-Finance-Disclosure-Regulation- SFDR.html

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name**: JSS Investmentfonds II - JSS Sustainable Equity - Strategic Materials

**Legal entity identifier**: 5299000F7A1V0KJJNN04

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**:_% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30.00% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** __% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The social characteristics promoted by this financial product include various aspects such as tackling inequality, fostering social cohesion, social integration and labour relations, and investing in economically or socially disadvantaged communities. This product's sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) (“JSS Exclusion Policy”):

Controversial Weapons: Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue threshold for coal miners, 10% for coal power generation and 10% for the sum of both.);

Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

Tobacco: Producers of tobacco products (revenue threshold: 5%);

Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

In accordance with the ESMA naming guidelines for funds with ESG or sustainability-related terms, the product also applies the Paris-Aligned Benchmark (PAB) exclusions. For products that invest in green bonds, investments in European Green Bonds and other green bonds, where on a look-through approach the activities financed are not relevant for the exclusions are exempt from this restriction.

The product invests in issuers that meet minimum requirements in terms of ESG profile. The ESG profile is assessed according to the proprietary JSS Sustainability Matrix, which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals ("SDG revenues") or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product's environmental or social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The product's attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the JSS Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for all sustainable strategies with ESG integration.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investments of the product contribute to one or more environmental and/or social objectives. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

An issuer can contribute to an environmental or social objective if its products facilitate the achievement of one or more of the UN Sustainable Development Goals as determined by a proportion of the issuers' revenues (at least 5%) that align with one of the environmental or social goals, or if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative ("SBTi"). In addition, for bonds, the security also passes if it is a sustainable or sustainability-linked bond in the environmental or social category.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti—corruption and anti—bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. An issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If an issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") SBTi approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement and/or voting. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators is available on the website. At product level, this will be included in the annual report.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children's Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy- aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement and/or voting. Further information about the consideration of principal adverse impacts is available in the annual report.

☐ No

## What investment strategy does this financial product follow?

The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers to D- rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager applies the following binding criteria in its strategy:

(a) Excluding investments in controversial business activities according to the JSS Exclusion Policy;

(b) Achieving an above-average ESG profile. This product will not invest in C- or D- rated issuers;

(c) In accordance with the ESMA naming guidelines for funds with ESG or sustainability-related terms, the product also applies the Paris-Aligned Benchmark (PAB) exclusions. For products that invest in green bonds, investments in European Green Bonds and other green bonds, where on a look-through approach the activities financed are not relevant for the exclusions are exempt from this restriction.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The investment manager's ESG approach reduces the investment universe of issuers for which ESG data is available by at least 20%.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

Investee companies are rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product, i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B, is at least 90%. The category "#1 A Sustainable" covers a minimum of 30% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Other". The minimum share of sustainable investments consists of at least 1% of environmentally sustainable investments and at least 1% of socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable, derivatives are not used to attain the environmental or social characteristics promoted by the financial product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This financial product does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[(1)]?**

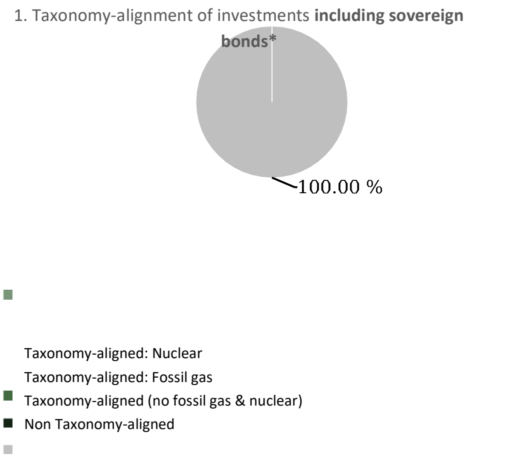
☐ Yes:

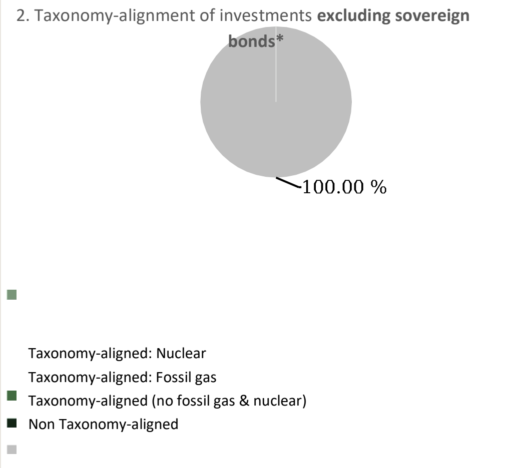
☐ In fossil gas ☐ In nuclear energy

☒ No

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




This graph represents 100.00 % of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low— carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***What is the minimum share of investments in transitional and enabling activities?***

Minimum share of investments in transitional activities: 0.00%

Minimum share of investments in enabling activities: 0.00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Minimum share of investments in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy: 1.00%

The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments. These investments may be aligned with the EU Taxonomy but the Investment Manager is not currently in a position to specify the exact proportion of the portfolio's underlying investments as calculated according to the EU Taxonomy. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

## What is the minimum share of socially sustainable investments?

Minimum share of socially sustainable investments: 1.00%

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The product's cash balance and derivatives are included under "#2 Other" the primary purpose of which is to hedge risks. There is currently no agreed methodology to consider ESG criteria for these asset classes. Also included are investments that cannot be assessed as aligned with E and S characteristics due to insufficient data. As a minimum safeguard, these investments comply with the JSS exclusion policy and do not breach defined revenue thresholds.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

### Where can I find more product specific information online?

**More product-specific information can be found on the website:**

https://www.jsafrasarasin.com/content/jsafrasarasin/language-masters/en/company/locations/country-pages/Fund-Management-Luxembourg-SA/Sustainable-Finance-Disclosure-Regulation- SFDR.html

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name**: JSS Investmentfonds II - JSS Sustainable Equity - SDG Opportunities

**Legal entity identifier**: 549300IIVICJHGGVUQ63

# Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

| ☒ **Yes** | ☐ **No** |
|---|---|
| ☒ It will make a minimum of **sustainable investments with an environmental objective**: 40.00% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of_% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☒ It will make a minimum of **sustainable investments with a social objective:** 20.00% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What is the sustainable investment objective of this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. This product´s sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) ("JSS Exclusion Policy"):

Controversial Weapons: Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue threshold for coal miners, 10% for coal power generation and 10% for the sum of both);

Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

Tobacco: Producers of tobacco products (revenue threshold: 5%);

Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

In accordance with the ESMA naming guidelines for funds with ESG or sustainability-related terms, the product also applies the Paris-Aligned Benchmark (PAB) exclusions. For products that invest in green bonds, investments in European Green Bonds and other green bonds, where on a look-through approach the activities financed are not relevant for the exclusions, are exempt from this restriction.

The objective of the product is to support the United Nations' Sustainable Development Goals (SDGs) and to reduce the portfolio's carbon footprint (claims on carbon emissions per million USD invested) over time until it reaches net-zero by 2035 in line with JSS' climate pledge. The methodology for the objective-setting process is derived from the EU Climate-Transition-Benchmark- Regulation where the objective is to keep the carbon footprint (claims on carbon emissions per million USD invested) below a certain threshold of -30% below the carbon footprint of the product's reference market. Each year the threshold is being reduced by at least 7% on average, in line with or beyond the decarbonisation trajectory from the Intergovernmental Panel on Climate Change ("IPCC")'s 1.5°C scenario (with no or limited overshoot). From 2030 to 2035, the product's carbon footprint aims at falling to (net-)zero.

To this end, the product invests globally in a portfolio of companies of which the average share of SDG-related to total revenues is 30% across the portfolio and that have strong sustainability practices and create products and services contributing positively to society and the environment. Moreover, the product aims for an above-average ESG profile for the entire portfolio based on the JSS Sustainability Matrix in order to endorse sustainable business practices.

The financial product aims to contribute to a number of environmental objectives such as climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

A reference benchmark has not been designated for the purpose of attaining the product's sustainable investment objective.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The product's attainment of the sustainable investment objective is measured by the following sustainability indicators:

- Proportion of A- and B-rated assets, as determined by the JSS Sustainability Matrix. A- rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for integrated sustainable strategies;

- Carbon footprint as measured by claims on carbon emissions per million USD invested;
- SDG revenues as measured by the average share of "SDG-related" to total revenues.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti—corruption and anti—bribery matters.

***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. An issuer passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and is not active in the fossil fuel sector, i.e. has no significant exposure to fossil fuel-related activities, including extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal. If an issuer is active in the fossil fuel sector it passes the DNSH test if it is A or B rated according to the JSS Sustainability Matrix and has a Science Based Targets initiative ("SBTi") approved target or equivalent, or is expected to achieve this status in a reasonable timeframe based on in-house research.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement and/or voting. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators is available on the website. At product level, this will be included in the annual report.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children's Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement and/or voting. Further information about the consideration of principal adverse impacts is available in the annual report.

No

## What investment strategy does this financial product follow?

At least 90% of the product's assets are invested in companies that benefit from the alignment of their business activities to one or more of the 17 UN SDGs of the Agenda 2030. Alignment to the UN Sustainable Development Goals is achieved when a company provides products and services catering to investment themes which are linked to the SDGs, such as Climate Action, Water Scarcity, Waste Management, Food Availability, Health & Well-Being, Improving Infrastructure and Demographics among others.

The SDG alignment of a company is evaluated independently from financial success. The objective is to invest in a portfolio of companies of which the average share of "SDG-related" to total revenues is 30% across the portfolio. The process of selecting sustainable securities focuses on issuers that are leading providers in their respective peer group when it comes to solid corporate governance, strategic management of environmental issues and proactive stakeholder relationships. Controversial business activities or those violating international norms are usually excluded. The product champions sustainable development through its stock selection process and its active shareholder engagement (dialogue with company managements and exercising of voting rights). The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers to D- rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The expectation is that this process reduces the investment universe of all issuers for which data is available by at least 20%.

The investment manager applies the following binding criteria in its strategy:

(a) Excluding investments in controversial business activities according to the JSS Exclusion Policy. In addition, the financial product excludes issuers with non-conventional oil & gas activities (tar sands and fracking) if the revenue generated from these activities is >5%;

(b) Mitigating ESG risks and harnessing ESG opportunities. Issuers which are A- or B-rated and active in the fossil fuel sector will be excluded if they lack an approved SBTi target. Issuers expected to get an approved SBTi target soon are treated the same as those with one already in place;

(c) Achieving an above-average ESG profile. This product will only invest in A- and B- rated issuers (The limitation of the Sub-Fund to only invest in A- and B- rated issuers will only apply as from 24 June 2024. Until 23 June 2024, the Sub-Fund's limitation will be to not invest in C- or D rated issuers.). The product invests in companies that benefit from the alignment of their business activities to one or more of the 17 UN SDGs of the Agenda 2030;

(d) Intentionally targeting measurable positive outcomes by investing in issuers that promote sustainable products and services as determined by the proportion of the issuers' revenues that align with one of the UN Sustainable Development Goals or if the issuer achieves strong operational excellence versus its peers on material environmental and/or social indicators. In addition, the investment manager engages with selected investee companies to foster a change in behaviour towards sustainable practices;

(e) In accordance with the ESMA naming guidelines for funds with ESG or sustainability-related terms, the product applies the Paris-Aligned Benchmark (PAB) exclusions. For products that invest in green bonds, investments in European Green Bonds and other green bonds, where on a look-through approach the activities financed are not relevant for the exclusions, are exempt from this restriction.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

Investee companies are rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation and the minimum share of sustainable investments?

The minimum proportion of the investments of the financial product used to meet the sustainable investment objective, i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B, is at least 90%. The category "#1 Sustainable" covers a minimum of 80% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Not Sustainable". The minimum share of sustainable investments consists of at least 40% of environmentally sustainable investments and at least 20% socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

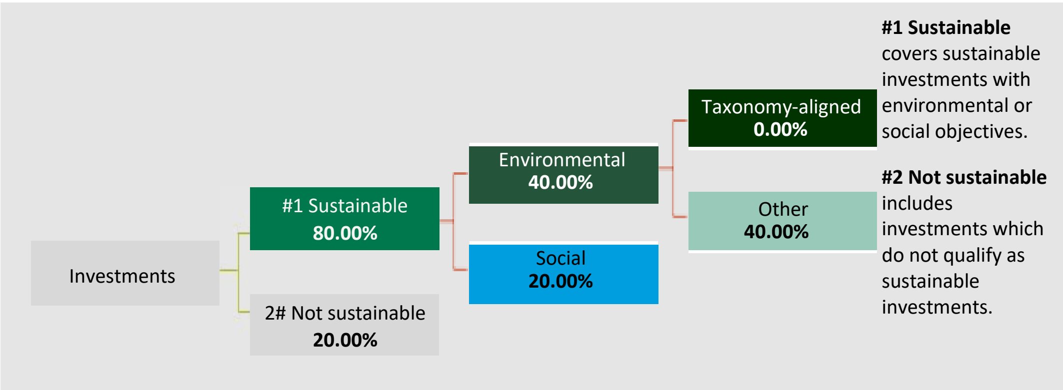
A corporate issuer is deemed a sustainable investment if either (1) at least 5% of the issuer's revenues align with at least one of the UN Sustainable Development Goals ("UN SDGs"), or (2) if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if (3) the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative ("SBTi") or equivalent, or is expected to achieve this status in a reasonable timeframe based on in- house research. Finally, the corporate issuer must pass the DNSH and good governance tests.

For further details see the JSS Sustainable Investment Policy:

https://www.jsafrasarasin.com/content/dam/jsafrasarasin/expertise/sustainable/documents/jss__sustainable_investment_policy.pdf.coredownload.inline.pdf

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




***How does the use of derivatives attain the sustainable investment objective?***

Not applicable, derivatives are not used to attain the sustainable investment objective (s) of this financial product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low- carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This financial product does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

The financial product aims to contribute to a number of environmental objectives such as climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; the protection and restoration of biodiversity and ecosystems. The focus is currently on climate mitigation and adaptation, as well as the sustainable use and protection of water and marine resources.

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

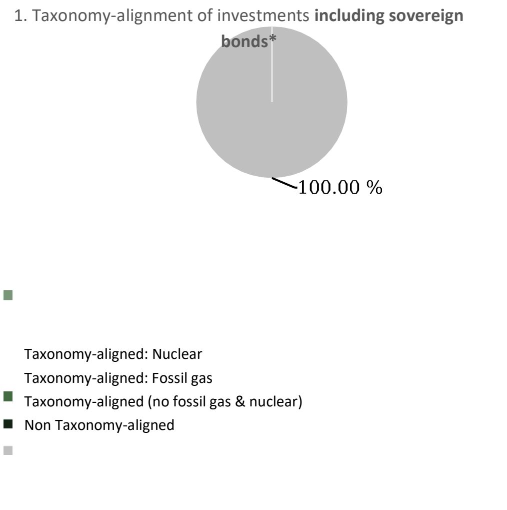
☐ Yes:

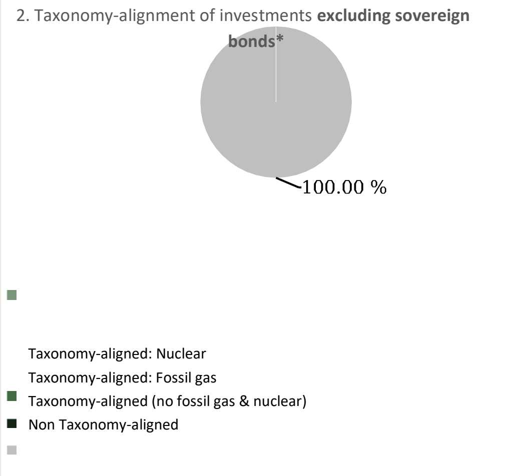
☐ In fossil gas ☐ In nuclear energy

☒ No

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




This graph represents 100.00 % of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low—carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***What is the minimum share of investments in transitional and enabling activities?***

Minimum share of investments in transitional activities: 0.00%

Minimum share of investments in enabling activities: 0.00%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Minimum share of investments in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy: 40.00%

The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments. These investments may be aligned with the EU Taxonomy but the Investment Manager is not currently in a position to specify the exact proportion of the portfolio's underlying investments as calculated according to the EU Taxonomy. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

## What is the minimum share of sustainable investments with a social objective?

Minimum share of sustainable investments with a social objective: 20.00%

### What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The product's cash balance and derivatives are included under "#2 Not Sustainable" the primary purpose of which is to hedge risks. There is currently no agreed methodology to consider ESG criteria for these asset classes. Also included are investments that do not meet the requirements to be sustainable investments under SFDR. These investments support the objective of the strategy and as a minimum safeguard, these investments are A or B rated according to the JSS Sustainability Matrix.

### Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

Not applicable

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

  - ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

### Where can I find more product specific information online?

**More product-specific information can be found on the website:**

https://www.jsafrasarasin.com/content/jsafrasarasin/language-masters/en/company/locations/country-pages/Fund-Management-Luxembourg-SA/Sustainable-Finance-Disclosure-Regulation- SFDR.html