



## **Credit Suisse Portfolio Fund (Lux)**

Investment fund under Luxembourg law

### **Sales Prospectus**

August 2011

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## 1. Information for Prospective Investors

This prospectus ("Prospectus") is valid only if accompanied by the latest Key Investor Information Document, the latest annual report, and also the latest semi-annual report if this was published after the latest annual report. Such documents shall be deemed to form part of this Prospectus. Prospective investors shall be provided with the latest version of the Key Investor Information Document in good time before their proposed subscription of units in the Credit Suisse Portfolio Fund (Lux) (the "Fund"). This Prospectus does not constitute an offer or solicitation to subscribe units ("Units") in the Fund by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. Information which is not contained in this Prospectus, or in the documents mentioned herein which are available for inspection by the public, shall be deemed unauthorized and cannot be relied upon.

Prospective investors should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of Units. Further tax considerations are set out in Chapter 9, "Expenses and Taxes".

Information about distribution in various countries is set out in Chapter 20, "Distribution".

Prospective investors who are in any doubt about the contents of this Prospectus should consult their bank, broker, solicitor, accountant or other independent financial adviser.

This Prospectus may be translated into other languages. To the extent that there is any inconsistency between the English-language Prospectus and a version in another language, the English-language Prospectus shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the Units are sold.

Investors should read and consider the risk description in Chapter 7, "Risk Factors", before investing in the Fund.

The Units are listed on the Luxembourg Stock Exchange.

This Prospectus is not available for general distribution in, from or into the United Kingdom because Credit Suisse Portfolio Fund (Lux) is not recognised under section 264 of the Financial Services and Markets Act 2000 (FSMA). When distributed in, from or into the United Kingdom this Prospectus is only intended for professional investors, high-net-worth companies, high-net-worth partnerships, associations or trusts of high net worth and suitable investment experts of any of the foregoing (each within the Financial Services and Markets Act 2000 [Financial Promotion] Order 2005 [as amended] and any other persons to whom it may be communicated lawfully. No other person should act or rely on it. Persons distributing this Prospectus in, from or into the United Kingdom must ensure that it is lawful to do so.

**The Units have not been, and will not be, registered under the United States Securities Act of 1933 (the "1933 Act"), as amended, or the securities laws of any of the states of the United States of America and the Fund has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended. Therefore, the Units may not be directly or indirectly offered or sold in the United States of America or to or for the benefit of a "US Person" as defined in Regulation S of the 1933 Act, except pursuant to an exemption from the registration requirements of the 1933 Act.**

**2. Credit Suisse Portfolio Fund (Lux) – Summary of Unit Classes <sup>(1)</sup>**

<b>Subfund<sup>(2)</sup> Reference Currency</b>	<b>Unit Class</b>	<b>Currency</b>	<b>Minimum Holding</b>	<b>Type of Unit <sup>(3)</sup></b>	<b>Maximum Adjustment of the Net Asset Value<sup>(4)</sup></b>	<b>Maximum Sales Charge</b>	<b>Maximum Management Fee (p.a.) <sup>(5)</sup></b>
Credit Suisse Portfolio Fund (Lux) <b>Balanced (Euro)</b> <b>EUR</b>	<b>B</b>	EUR	n/a	CG	2.00%	5.00%	1.50%
	<b>I</b>	EUR	EUR 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Balanced (Sfr)</b> <b>CHF</b>	<b>B</b>	CHF	n/a	CG	2.00%	5.00%	1.50%
	<b>I</b>	CHF	CHF 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Balanced (US\$)</b> <b>USD</b>	<b>B</b>	USD	n/a	CG	2.00%	5.00%	1.50%
	<b>I</b>	USD	USD 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Growth (Euro)</b> <b>EUR</b>	<b>B</b>	EUR	n/a	CG	2.00%	5.00%	1.70%
	<b>I</b>	EUR	EUR 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Growth (Sfr)</b> <b>CHF</b>	<b>B</b>	CHF	n/a	CG	2.00%	5.00%	1.70%
	<b>I</b>	CHF	CHF 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Growth (US\$)</b> <b>USD</b>	<b>B</b>	USD	n/a	CG	2.00%	5.00%	1.70%
	<b>I</b>	USD	USD 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Income (Euro)</b> <b>EUR</b>	<b>A</b>	EUR	n/a	D	2.00%	5.00%	1.30%
	<b>B</b>	EUR	n/a	CG	2.00%	5.00%	1.30%
	<b>I</b>	EUR	EUR 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Income (Sfr)</b> <b>CHF</b>	<b>A</b>	CHF	n/a	D	2.00%	5.00%	1.30%
	<b>B</b>	CHF	n/a	CG	2.00%	5.00%	1.30%
	<b>I</b>	CHF	CHF 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Income (US\$)</b> <b>USD</b>	<b>A</b>	USD	n/a	D	2.00%	5.00%	1.30%
	<b>B</b>	USD	n/a	CG	2.00%	5.00%	1.30%
	<b>I</b>	USD	USD 3,000,000	CG	2.00%	3.00%	0.60%
Credit Suisse Portfolio Fund (Lux) <b>Reddito (Euro)</b> <b>EUR</b>	<b>A</b>	EUR	n/a	D	2.00%	5.00%	1.20%
	<b>B</b>	EUR	n/a	CG	2.00%	5.00%	1.20%
	<b>I</b>	EUR	EUR 3,000,000	CG	2.00%	3.00%	0.60%

(1) This Summary should not be relied upon as a substitute for reading the Prospectus.

(2) The currencies shown in brackets are the Reference Currencies.

(3) CG = Capital Growth, D = Distribution

(4) The effective date for introducing the adjustment of the Net Asset Value (Single Swing Pricing) will be determined by the Management Company and published in advance in accordance with Chapter 13, "Information for Unitholders". Before sending their subscription applications investors must verify with the Central Administration whether the adjustment of the Net Asset Value has already been introduced.

Under exceptional circumstances the Management Company may, in the interest of Unitholders, decide to increase the indicated maximum adjustment percentage (swing factor). In such case the Management Company would inform the investors in accordance with Chapter 13, "Information for Unitholders".

(5) The management fee charged is published in the corresponding annual/semi-annual report.

### 3. The Fund

Credit Suisse Portfolio Fund (Lux) is an undertaking for collective investment in transferable securities in the form of a common fund (*"fonds commun de placement"*) subject to Part I of the Law of 17 December 2010 on undertakings for collective investment (*"Law of 17 December 2010"*) transposing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities. The Fund was originally established under the name CS Portfolio Fund and has been renamed to Credis Portfolio Fund on 14 April 1994 and to Credit Suisse Portfolio Fund (Lux) on 4 August 1997. The Fund is managed by Credit Suisse Fund Management S.A. (*"Management Company"*) in accordance with the management regulations of the Fund (*"Management Regulations"*).

The Fund's assets shall be separate from the Management Company's assets and hence shall not be liable for the obligations of the Management Company. The Fund is an undivided collection of assets and investors (*"Unitholders"*) shall have equal undivided co-ownership rights to all of the Fund's assets in proportion to the number of Units held by them and the corresponding net asset value of those Units. These rights shall be represented by the Units issued by the Management Company. There is no provision in the Management Regulations for any meeting of the Unitholders.

The Management Regulations of the Fund were initially issued on 19 March 1993. They may be amended by the Management Company with the approval of the custodian bank (*"Custodian Bank"*). All amendments will be announced in accordance with Chapter 13, *"Information for Unitholders"*, and will be deposited with the Registre de Commerce et des Sociétés of the Grand Duchy of Luxembourg. The amendments to the Management Regulations were last published in a note of deposit in the Mémorial, Recueil de Sociétés et Associations (*"Mémorial"*) on 1 August 2011. The Management Regulations are filed in their consolidated, legally binding form for public reference with the Commercial and Company Register of the Luxembourg District Court.

The Management Regulations shall govern the relations between the Management Company, the Custodian Bank and the Unitholders, as described in this Prospectus. The subscription or purchase of Units shall imply acceptance of the Management Regulations by the Unitholder.

The Fund has an umbrella structure and therefore consists of at least one Subfund (each referred to as a *"Subfund"*). Each Subfund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Unitholders and third parties. The rights of Unitholders and creditors concerning a Subfund or which have arisen in relation to the establishment, operation or liquidation of a Subfund are limited to the assets of that Subfund. No Subfund will be liable with its assets for the liabilities of another Subfund.

The Management Company may, at any time, establish new Subfunds with Units having similar characteristics to the Units in the existing Subfunds. The Management Company may, at any time, create and issue new classes (*"Classes"*) or types of Units within any Subfund. If the Management Company establishes a new Subfund and/or creates a new Class or type of Units, the corresponding details shall be set out in this Prospectus. A new Class or type of Units may have different features than the currently existing Classes.

The characteristics of each possible Unit Class are further described in this Prospectus, in particular in Chapter 5, *"Investment in Credit Suisse Portfolio Fund (Lux)"* and in Chapter 2, *"Summary of Unit Classes"*.

The individual Subfunds shall be denominated as indicated in Chapter 2, *"Summary of Unit Classes"* and Chapter 21, *"Subfunds"*. The reference currency in which the net asset value (*"Net Asset Value"*) of the corresponding Units of a Subfund is expressed is also stipulated in Chapter 2, *"Summary of Unit Classes"*.

Information about the performance of the individual Unit Classes of the Subfunds is contained in the Key Investor Information Document.

### 4. Investment Principles

#### Investment Objective and Investment Policy

The primary objective of the Fund is to provide investors with an opportunity to invest in professionally managed portfolios. The assets of the Subfunds shall be invested, in accordance with the principle of risk diversification, in transferable securities and other assets as specified in Article 41 of the Law of 17 December 2010.

The investment objective and policy of the individual Subfunds are described in Chapter 21, *"Subfunds"*. The assets of the individual Subfunds will be invested in accordance with the investment restrictions as stipulated by the Law of 17 December 2010 and set out in this Prospectus in Chapter 6, *"Investment Restrictions"*.

**The investment objective for each Subfund is to maximize the appreciation of the assets invested. In order to achieve this, the Fund shall assume a fair and reasonable degree of risk. However, in consideration of market fluctuations and other risks (see Chapter 7, *"Risk Factors"*) there can be no guarantee that the investment objective of the relevant Subfunds will be achieved. The value of investments may go down as well as up and investors may not recover the value of their initial investment.**

#### Reference Currency

The reference currency is the currency in which the performance and the net asset value of the Subfunds are calculated (*"Reference Currency"*). The Reference Currencies of the relevant Subfunds are specified in Chapter 2, *"Summary of Unit Classes"*.

#### Collective Management of Assets

For the purpose of efficient management of the Fund and where the investment policies so permit, the Management Company may opt to manage all or part of the assets of certain Subfunds in common. Assets so managed shall be referred to hereinafter as a *"pool"*. Such pools are created solely for internal management purposes and do not constitute a separate legal entity. Therefore, they cannot be directly accessed by investors. Each of the jointly managed Subfunds shall remain entitled to its own specific assets. The assets jointly managed in the pools may be divided and transferred to all the participating Subfunds at any time.

If the assets of several Subfunds are pooled in order to be managed jointly, a written record is kept of that portion of the assets in the pool which can be allocated to each of the Subfunds concerned, with reference to the Subfund's original share in this pool. The rights of each participating Subfund to the jointly managed assets shall relate to each individual position in the respective pool. Additional investments made for the jointly managed Subfunds shall be allocated to these Subfunds in an amount proportionate to their participation while assets, which have been sold, shall be deducted from each participating Subfund's assets accordingly.

### 5. Investment in Credit Suisse Portfolio Fund (Lux)

#### i. General Information on the Units

Each Subfund may issue Units of Classes A, B or I. The Unit Classes which are issued within each Subfund, together with the related fees and charges are set out in Chapter 2, *"Summary of Unit Classes"*.

In addition, certain other fees, charges and expenses shall be paid out of the assets of the Subfunds. For further information, see Chapter 9, *"Expenses and Taxes"*.

Units will not be issued anymore in the form of certificates and will exist exclusively as book entries. Unitholders are not entitled to request delivery of a Unit certificate. Unitholders already holding Units in certificated form, must return the certificates at the latest when redeeming the Units. In case where a Unitholder holds Unit certificates and applies for conversion of such Units, the certificates will be annulled and the Units will be held in book form thereafter.

#### Class 'A' Units

Class A Units are distribution Units. Details of the characteristics of distribution Units are included in Chapter 11, *"Appropriation of Net Income and Capital Gains"*. The applicable management fee and sales charge as well as the reference currency are further described in Chapter 2, *"Summary of Unit Classes"*.

During the initial subscription period the issue price of Class A Units amounts to EUR 100, CHF 100 or USD 100. After the initial subscription period Units may be subscribed at the applicable Net Asset Value.

#### Class 'B' Units

Class B Units are capital-growth Units. Details of the characteristics of capital-growth Units are included in Chapter 11, *"Appropriation of Net Income and Capital Gains"*. The applicable management fee and sales charge as well as the reference currency are further described in Chapter 2, *"Summary of Unit Classes"*.

During the initial subscription period the issue price of Class B Units amounts to EUR 100, CHF 100 or USD 100. After the initial subscription period Units may be subscribed at the applicable Net Asset Value.

#### **Class 'I' Units**

Class I Units are capital-growth Units. Details of the characteristics of capital-growth Units are included in Chapter 11, "Appropriation of Net Income and Capital Gains". Moreover, Class I Units are subject to a minimum initial investment and holding requirement and benefit from a reduced management fee and sales charge compared to Class A and B Units. The applicable management fee and sales charge as well as the reference currency are further described in Chapter 2, "Summary of Unit Classes".

During the initial subscription period the issue price of Class I Units amounts to EUR 1,000, CHF 1,000 or USD 1,000. After the initial subscription period Units may be subscribed at the applicable Net Asset Value.

Except as set out below, Unit Classes shall be denominated in the Reference Currency of the Subfund to which they relate. Investors may, at the discretion of the Central Administration, pay the subscription monies for Units in a convertible currency other than the currency in which the relevant Unit Class is denominated. As soon as they are received by the Custodian Bank, such subscription monies shall be automatically converted by the Custodian Bank into the currency in which the relevant Units are denominated. Further details are set out in Chapter 5, "Subscription of Units".

The Management Company may, at any time, issue within a Subfund, one or more Unit Classes denominated in a currency other than the Subfund's Reference Currency ("Alternate Currency Class"). The issue of each further or Alternate Currency Class is specified in Chapter 2, "Summary of Unit Classes". The Management Company may enter into forward currency contracts for, and at the expense of, this Alternate Currency Class in order to minimize the effect of price fluctuations in this alternate currency. In the case of Subfunds with Alternate Currency Classes, the currency hedging transactions for one Unit Class may, in exceptional cases, adversely affect the Net Asset Value of the other Unit Classes.

Units may be held through collective depositories. In such cases Unitholders shall receive a confirmation in relation to their Units from the depository of their choice (for example, their bank or broker), or Units may be held by Unitholders directly in a registered account kept for the Fund and its Unitholders by the Fund's Central Administration. These Unitholders will be registered by the Central Administration. Units held by a depository may be transferred to an account of the Unitholder with the Central Administration or to an account with other depositories approved by the Management Company or participating in the securities and fund clearing systems. Conversely, Units credited to a Unitholder's account kept by the Central Administration may at any time be transferred to an account with a depository.

The Management Company may divide or merge Units in the interest of the Unitholders.

#### **ii. Subscription of Units**

Unless otherwise specified in Chapter 21, "Subfunds", Units may be subscribed on any day on which banks are normally open for business in Luxembourg ("Banking Day") at the Net Asset Value per Unit of the relevant Unit Class of the Subfund, which is calculated on the next Valuation Day (as defined in Chapter 8, "Net Asset Value") following such Banking Day according to the calculation method described in Chapter 8, "Net Asset Value" plus the applicable initial sales charge and any taxes. The applicable maximum sales charge levied in connection with the Units of the Fund is indicated in Chapter 2, "Summary of Unit Classes".

Unless otherwise specified in Chapter 21, "Subfunds", subscription applications must be submitted in written form to the Central Administration or a distributor authorized by the Management Company to accept applications for the subscription or redemption of Units ("Distributor" or "Distributors") before 1 p.m. (Central European Time). Subscription applications shall be settled on the Valuation Day following the Banking Day on which receipt of the subscription application is determined by the respective Distributor or the Central Administration before 1 p.m. (Central European Time). Subscription applications received after 1 p.m. on a Banking Day shall be deemed to have been received prior to 1 p.m. on the following Banking Day.

Unless otherwise specified in Chapter 21, "Subfunds", payment must be received within two Banking Days after the Valuation Day on which the issue price of such Units was determined.

Charges to be paid due to the subscription of Units shall accrue to the banks and other financial institutions engaged in the distribution of the Units. Any taxes incurred on the issue of Units shall also be charged to the investor. Subscription amounts shall be paid in the currency in which the relevant Units are denominated or, if requested by the investor and at the sole discretion of the Central Administration, in another convertible currency. Payment shall be effected by bank transfer to the bank accounts of the Custodian Bank, which are indicated in the subscription form. Investors may also enclose a cheque with the subscription form. The cheque fee, if any, shall be deducted from the subscription amount before allocating it to the purchase of Units.

The Management Company may in the interest of the Unitholders accept transferable securities and other assets permitted by Part I of the Law of 17 December 2010 as payment for subscription ("contribution in kind"), provided, the offered transferable securities and assets correspond to the investment policy and restrictions of the relevant Subfund. Each payment of Units in return for a contribution in kind is part of a valuation report issued by the auditor of the Fund. The Management Company may at its sole discretion, reject all or several offered transferable securities and assets without giving reasons. All costs caused by such contribution in kind (including the costs for the valuation report, broker fees, expenses, commissions, etc.) shall be borne by the investor.

The Units shall be issued upon the receipt of the issue price with the correct value date by the Custodian Bank. Notwithstanding the above, the Management Company may, at its own discretion, decide that the subscription application will only be accepted once these monies are received by the Custodian Bank.

If the payment is made in a currency other than the one in which the relevant Units are denominated, the proceeds of conversion from the currency of payment to the currency of denomination less fees and exchange commission shall be allocated to the purchase of Units.

The minimum value or number of Units which must be held by a Unitholder in a particular Unit Class is set out in Chapter 2, "Summary of Unit Classes", if applicable. Such minimum initial investment and holding requirement may be waived in any particular case at the sole discretion of the Management Company.

Subscription and redemption of fractions of Units shall be permitted up to three decimal places. A holding of fractional Units shall entitle the Unitholder to proportional rights in relation to such Units. It might occur that clearing institutions will be unable to process holdings of fractional Units. Investors should verify whether that is the case.

The Management Company and the Central Administration are entitled to refuse any subscription application in whole or in part for any reason, and may in particular prohibit or limit the sale of Units to individuals or corporate bodies in certain countries if such sales might be detrimental to the Fund or if a subscription in the country concerned is in contravention of applicable laws. Moreover, where new investments would adversely affect the achievement of the investment objective, the Management Company may decide to suspend the issue of Units on a permanent or temporary basis.

#### **iii. Redemption of Units**

Unless otherwise specified in Chapter 21, "Subfunds", the Management Company shall in principle redeem Units on any Banking Day at the Net Asset Value per Unit of the relevant Unit Class of the Subfund (based on the calculation method described in Chapter 8, "Net Asset Value") applicable on the Valuation Day following such Banking Day, less any redemption charge if applicable. For this purpose, redemption applications must be submitted to the Central Administration or Distributor. Redemption applications for Units held through a depository must be submitted to the depository concerned. Unless otherwise specified in Chapter 21, "Subfunds", redemption applications must be received by the Central Administration or the Distributor before 1 p.m. (Central European Time) on a Banking Day. Redemption applications received after 1 p.m. on a Banking Day shall be dealt with on the following Banking Day.

If the execution of a redemption application would result in the relevant investor's holding in a particular Unit Class falling below the minimum holding requirement for that Class as set out in Chapter 2, "Summary of Unit Classes", the Management Company may, without further notice to the Unitholder, treat such redemption application as though it were an

application for the redemption of all Units of that Class held by the Unitholder.

Units shall be redeemed at the relevant Net Asset Value per Unit calculated on the Valuation Day following the Banking Day on which receipt of the redemption application is determined by the respective Distributor or the Central Administration before 1 p.m. (Central European Time).

Whether and to what extent the redemption price is lower or higher than the issue price paid depends on the development of the Net Asset Value of the relevant Unit Class.

Payment of the redemption price of the Units shall be made within two Banking Days following calculation of the redemption price, unless otherwise specified in Chapter 21, "Subfunds". This does not apply where specific statutory provisions such as foreign exchange or other transfer restrictions or other circumstances beyond the Custodian Bank's control make it impossible to transfer the redemption amount.

In the case of large redemption applications, the Management Company may decide to settle redemption applications once it has sold the corresponding assets of the Fund without undue delay. Where such a measure is necessary, all redemption applications received on the same day shall be settled at the same price.

Payment shall be made by means of remittance to a bank account or, if possible, by cash in the currency that is legal tender in the country where payment is to be made, after conversion of the amount in question. If, at the sole discretion of the Custodian Bank, payment is to be made in a currency other than the one in which the relevant Units are denominated, the amount to be paid shall be the proceeds of conversion from the currency of denomination to the currency of payment less all fees and exchange commission.

Upon payment of the redemption price, the corresponding Units shall cease to be valid.

The Management Company may at any time and at its own discretion proceed to redeem Units held by Unitholders who are not entitled to acquire or possess these Units. In particular, the Management Company is entitled to compulsorily redeem all Units held by a Unitholder where any of the representations and warranties made in connection with the acquisition of the Units was not true or has ceased to be true or such Unitholder fails to comply with any applicable eligibility condition for a Unit Class. The Management Company is also entitled to compulsorily redeem all Units held by a Unitholder in any other circumstances in which the Management Company determines that such compulsory redemption would avoid material legal, regulatory, pecuniary, tax, economic, proprietary, administrative or other disadvantages to the Fund, including but not limited to the cases where such Units are held by Unitholder who are not entitled to acquire or possess these Units or who fail to comply with any obligations associated with the holding of these Units under the applicable regulations.

#### iv. Conversion of Units

Unless otherwise specified in Chapter 21, "Subfunds", Unitholders of a particular Unit Class of a Subfund may at any time convert all or part of their Units into Units of the same Class of another Subfund or into another Class of the same or another Subfund provided that the requirements (see Chapter 2, "Summary of Unit Classes") for the Unit Class into which such Units are converted are complied with. The fee charged for such conversions shall not exceed half the initial sales charge of the Class into which the Units are converted.

Unless otherwise specified in Chapter 21, "Subfunds", conversion applications must be completed and submitted to the Central Administration or the Distributor before 1 p.m. (Central European time) on a Banking Day. Conversion applications received after 1 p.m. shall be dealt with on the following Banking Day. Conversion shall take place on the basis of the applicable Net Asset Value per Unit calculated on the Valuation Day following the Banking Day on which receipt of the conversion application is determined by the respective Distributor or the Central Administration before 1 p.m. (Central European Time). Conversions of Units will only be made on a Valuation Day, if the Net Asset Value in both relevant Unit Classes is calculated.

Where processing an application for the conversion of Units would result in the relevant Unitholder's holding in a particular Class of Units falling below the minimum holding requirement for that Class set out in Chapter 2, "Summary of Unit Classes", the Management Company may, without further notice to the Unitholder, treat such conversion application as

though it were an application for the conversion of all Units held by the Unitholder in that Class of Units.

Where Units denominated in one currency are converted into Units denominated in another currency, the foreign exchange and conversion fees incurred will be taken into consideration and deducted.

#### v. Suspension of the Subscription, Redemption, Conversion of Units and the Calculation of the Net Asset Value

The Management Company may suspend the calculation of the Net Asset Value and/or the issue, redemption and conversion of Units of a Subfund where a substantial proportion of the assets of the Subfund:

- a) cannot be valued, because a stock exchange or market is closed on a day other than a public holiday, or when trading on such stock exchange or market is restricted or suspended; or
- b) is not freely disposable, because a political, economic, military, monetary or any other event beyond the control of the Management Company does not permit the disposal of the Subfund's assets, or such disposal would be detrimental to the interests of the Unitholders; or
- c) cannot be valued, because disruption to the communications network or any other reason makes a valuation impossible; or
- d) is not available for transactions, because restrictions on foreign exchange or other types of restrictions make asset transfers impracticable or it can be objectively demonstrated that transactions cannot be effected at normal foreign exchange rates.

Investors applying for, or who have already applied for, the subscription, redemption or conversion of Units in the respective Subfund shall be notified of the suspension without delay. Notice of the suspension shall also be published as described in Chapter 13, "Information for Unitholders", if, in the opinion of the Management Company, the suspension is likely to last for longer than one week.

Suspension of the calculation of the net asset value of one Subfund shall not affect the calculation of the net asset value of the other Subfunds if none of the above conditions apply to such other Subfunds.

#### vi. Measures to combat Money Laundering

The Distributors are obliged by the Management Company to ensure compliance with all current and future statutory or professional regulations in Luxembourg aimed at combating money laundering and terrorist financing. These regulations stipulate that the Distributors are under obligation, prior to submitting any application form to the Central Administration, to verify the identity of the purchaser and beneficial owner as follows:

- a) Where the subscriber is an individual, a copy of the passport or identity card of the subscriber (and the beneficial owner/s of the Units where the subscriber is acting on behalf of another individual), which has been properly verified by a suitably qualified official of the country in which such individual is domiciled;
- b) Where the subscriber is a company, a certified copy of the company's registration documentation (e.g. articles of association or incorporation) and an excerpt from the relevant commercial register. The company's representatives and (where the units/shares issued by a company are not sufficiently broadly distributed among the general public) unit-/shareholders must then observe the disclosure requirements given in point a) above.

The Central Administration of the Fund is however entitled at its own discretion to request, at any time, further identification documentation related to a subscription application or to refuse to accept subscription applications upon the submission of all documentary evidence.

The Distributors shall ensure that their sales offices adhere to the above verification procedure at all times. The Central Administration and the Management Company shall at all times be entitled to request evidence of compliance from the Distributors. Furthermore, the Distributor accepts that it is subject to, and must properly enforce, the national regulations aimed at combating money laundering and terrorist financing.

The Central Administration is responsible for observing the above-mentioned verification procedure in the event of subscription applications submitted by Distributors which are not operators in the financial sector or which are operators in the financial sector but are not subject to an identity verification requirement equivalent to that existing under Luxembourg law. Permitted financial sector operators from Member States of the EU, EEA and/or FATF (Financial Action Task Force on Money Laundering) are generally deemed to be subject to an identity verification requirement equivalent to that existing under Luxembourg law.

**vii. Market Timing**

The Management Company does not permit practices related to "Market Timing" (i.e. a method through which an investor systematically subscribes and redeems or converts Units of Classes within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value). It therefore reserves the right to reject subscription and conversion applications from an investor who the Fund suspects of using such practices and to take, if appropriate, the necessary measures to protect the other investors of the Fund.

**6. Investment Restrictions**

For the purpose of this Chapter, each Subfund shall be regarded as a separate Fund within the meaning of Article 40 of the Law of 17 December 2010.

The following provisions shall apply to the investments made by each Subfund:

- 1) The Fund's investments may comprise only one or more of the following:
    - a) transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments as amended;
    - b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognized and open to the public; for the purpose of this Chapter "Member State" means a Member State of the European Union ("EU") or the States of the European Economic Area ("EEA");
    - c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognized and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;
    - d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on stock exchanges or markets as per paragraphs a), b) or c) above and provided such admission takes place within one year of issue;
    - e) units or shares of undertakings for collective investment in transferable securities authorized according to Directive 2009/65/EC ("UCITS") and/or other undertakings for collective investment within the meaning of Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC ("UCI"), whether or not established in a Member State, provided that:
      - these other UCI are authorised under laws which provide that they are subject to supervision considered by the supervisory authority responsible for the Fund, to be equivalent to that required by EU Community law and that cooperation between the supervisory authorities is sufficiently ensured,
      - the level of protection for share-/unitholders of the other UCIs is equivalent to that provided for share-/unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
      - the business activities of the other UCIs are reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
      - the UCITS or other UCIs whose units/shares are to be acquired, may not, pursuant to their management regulation or instruments of incorporation, invest more than 10% of their total net assets in units/shares of other UCITS or other UCIs;
  - f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the supervisory authority responsible for the Fund, as equivalent to those laid down in EU Community law;
  - g) financial derivative instruments, including equivalent cash-settled instruments which are dealt in on the regulated markets specified under paragraphs a), b) and c) above and/or financial derivative instruments which are dealt in over-the-counter ("OTC derivatives"), provided that:
    - the underlying consists of instruments within the meaning of Article 41, paragraph (1) of the Law of 17 December 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives,
    - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the supervisory authority responsible for the Fund, 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 their fair value at the Fund's initiative;
  - h) money market instruments other than those dealt in on a regulated market but which are normally traded on the money market and are liquid, and whose value can be precisely determined at any time, provided the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:
    - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in 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 Member States belong, or
    - issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs a), b) or c) above, or
    - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Community law, or issued or guaranteed by an establishment that is subject to and complies with supervisory rules considered by the supervisory authority responsible for the Fund, to be at least as stringent as those required by EU Community law, or
    - issued by other bodies belonging to the categories approved by the supervisory authority responsible for the Fund, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual financial statements in accordance with the fourth Directive 78/660/EEC or is an entity, which within a group of companies comprising one or several listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 2) The Subfunds shall not, however, invest more than 10% of their total net assets in transferable securities or money market instruments other than those referred to in section 1). The Subfunds may hold ancillary liquid assets in different currencies.
  - 3) The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the investment positions and their contribution to the overall risk profile of the portfolio and a process for accurate and independent assessment of the value of OTC derivatives.



Unless otherwise specified in Chapter 21, "Subfunds", each Subfund may, for the purpose of (i) hedging, (ii) efficient portfolio management and/or (iii) implementing its investment strategy, use all financial derivative instruments within the limits laid down by Part I of the Law of 17 December 2010.

The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

As part of its investment policy and within the limits laid down in section 4) paragraph e), each Subfund may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 4). If a Subfund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 4). When a transferable security or a money market instrument embed a derivative instrument, the derivative instrument shall be taken into account when complying with the requirements of this section.

The global exposure may be calculated through the commitment approach or the Value-at-Risk (VaR) methodology as specified for each Subfund in Chapter 21, "Subfunds".

The standard commitment approach calculation converts the financial derivative position into the market value of an equivalent position in the underlying asset of that derivative. When calculating global exposure using the commitment approach, the Fund may benefit from the effects of netting and hedging arrangements.

Value-at-Risk provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The Law of 17 December 2010 foresees a confidence level of 99% with a time horizon of one month.

Unless otherwise specified in Chapter 21, each Subfund shall ensure that its global exposure to financial derivative instruments computed on a commitment basis does not exceed 100% of its total net assets or that the global exposure computed based on a Value-at-Risk method does not exceed either (i) 200% of the reference portfolio (benchmark) or (ii) 20% of the total net assets.

The risk management of the Management Company supervises the compliance of these provision in accordance with the requirements of applicable circulars or regulation issued by the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier) or any other European authority authorized to issue related regulation or technical standards.

- 4) a) No more than 10% of the total net assets of each Subfund may be invested in transferable securities or money market instruments issued by the same issuer. In addition, the total value of all transferable securities and money market instruments of those issuers, in which the Fund invests more than 5% of its total net assets, shall not exceed 40% of the value of its total net assets. No Subfund may invest more than 20% of its total net assets in deposits made with the same body. The risk exposure to a counterparty of a Subfund in an OTC derivative transaction may not exceed the following percentages:
  - 10% of total net assets if the counterparty is a credit institution referred to in Chapter 6, "Investment Restrictions", section 1) paragraph f), or
  - 5% of total net assets in other cases.
- b) The 40% limit specified in section 4) paragraph a) is not applicable to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision. Irrespective of the limits specified in paragraph 4) point a), each Subfund shall not combine, where this would lead to investing more than 20% of its total net assets in a single body, any of the following:
  - investments in transferable securities or money market instruments issued by that body, or
  - deposits made with that body, or
  - exposures arising from OTC derivatives transactions undertaken with that body.
- c) The limit of 10% stipulated in section 4) paragraph a) is raised to a maximum of 35% if the securities or money market

instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies to which one or more Member States belong.

- d) The 10% limit stipulated in section 4) paragraph a) is raised to 25% for bonds issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested in accordance with the legal requirements in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If a Subfund invests more than 5% of its total net assets in bonds referred to in this paragraph which are issued by a single issuer, the total value of these investments may not exceed 80% of the Subfund's total net assets.
  - e) The transferable securities and money market instruments referred to in paragraphs c) and d) of this section 4) shall not be taken into account for the purpose of applying the limit of 40% referred to under paragraph a) of this section. The limits specified under paragraphs a), b), c) and d) shall not be combined; thus investments in transferable securities or money market instruments issued by the same issuer or in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) shall not exceed in total 35% of a Subfund's total net assets. Companies which belong to the same group for the purposes of the preparation of consolidated financial statements in accordance with Directive 83/349/EEC as amended or restated or in accordance with internationally recognized accounting rules, shall be regarded as a single issuer for the purpose of calculating the investment limits specified in the present section 4). A Subfund may cumulatively invest up to a limit of 20% of its total net assets in transferable securities and money market instruments within the same group.
  - f) **The limit of 10% stipulated in section 4) paragraph a) is raised to 100% if the transferable securities and money market instruments involved are issued or guaranteed by a Member State, one or more of its local authorities, a non-Member State of the European Union or public international body to which one or more Member States of the European Union belong. In such case, the Subfund concerned must hold securities or money market instruments from at least six different issues, and the securities or money market instruments of any single issue shall not exceed 30% of the Subfund's total assets.**
- 5) The Fund will not invest more than 10% of the total net assets of any Subfund in units/shares of other UCITS and/or in other UCIs ("Target Funds") pursuant to section 1) paragraph e) unless otherwise specified in the investment policy applicable to a Subfund as described in Chapter 21, "Subfunds".
- Where a higher limit as 10% is specified in Chapter 21, "Subfunds", the following restrictions shall apply:
- No more than 20% of a Subfund's total net assets may be invested in units/shares of a single UCITS or other UCI. For the purpose of application of this investment limit, each compartment of a UCITS or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
  - Investments made in units/shares of UCI other than UCITS may not in aggregate exceed 30% of the total net assets of the Subfund.

Where a Subfund invests in units/shares of other UCITS and/or other UCI that are managed, directly or by delegation, 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 direct or indirect holding of more than 10% of the capital or votes ("Affiliated Funds"), the Management Company or the other company may not charge subscription or redemption fees

on account of the Subfund's investment in the units/shares of such Affiliated Funds.

Investors should note that for investments in units/shares of other UCITS and/or other UCI the same costs may generally arise both at the Subfund level and at the level of the other UCITS and/or UCI itself.

The cumulative management fee at Subfund and Target Fund level shall not exceed the maximum of 3.00%.

- 6) To ensure efficient portfolio management, each Subfund may, in accordance with the provisions of CSSF Circular 08/356, purchase or sell securities in the context of securities repurchase transactions up to a maximum limit of 10% of its total net assets.
  - 7)
    - a) The Fund's assets may not be invested in securities carrying voting rights which would allow the Fund to exercise significant influence on the management of an issuer.
    - b) Moreover, the Fund may not acquire more than:
      - 10% of the non-voting shares of the same issuer,
      - 10% of the debt securities of the same issuer,
      - 25% of the units/shares of the same UCITS or other UCI, or
      - 10% of the money market instruments of the same issuer.
 In the last three cases, the restriction shall not apply if the gross amount of the debt instruments or money market instruments or the net amount of the units/shares issued cannot be determined at the time of acquisition.  
 The restrictions set out under paragraphs a) and b) shall not apply to:
      - transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,
      - transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union,
      - transferable securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong,
      - shares held by a Subfund in the capital of a company which is domiciled in a non-Member State of the European Union and which invests its assets mainly in securities of issuers domiciled in that country, if local legislation precludes any other possibility of investing in securities of that country's issuers. This exception, however, shall apply only if the investment policy of the company domiciled outside the European Union is compatible with the restrictions stipulated in section 4, paragraphs a) to e), section 5, and section 7 paragraphs a) and b).
  - 8) The Management Company may not borrow any money for any Subfund except for:
    - a) the purchase of foreign currency using a back-to-back loan
    - b) an amount equivalent to not more than 10% of the Subfund's total net assets and borrowed on a temporary basis.
  - 9) The Fund may not grant loans or act as guarantor for third parties.
  - 10) To ensure efficient portfolio management, however, each Subfund may, in accordance with the provisions of CSSF Circular 08/356 enter into securities lending transactions.
  - 11) The Fund may not invest its assets directly in real estate, precious metals or certificates representing precious metals and goods.
  - 12) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in section 1) paragraphs e), g) and h).
  - 13) Except in relation to borrowing conducted within the limitations set out in the Prospectus, the Management Company may not pledge the assets of the Fund or assign them as collateral. In such cases, no more than 10% of the assets of each Subfund shall be pledged or assigned. The collateral that must normally be made available to recognized securities settlement systems or payment systems in accordance with their respective regulations for the purpose of guaranteeing settlement within these systems, and the customary margin deposits for derivatives transactions, shall not be regarded as being a pledge under the terms of this provision.
- The restrictions set out above shall not apply to the exercise of subscription rights.

During the first six months following official authorization of a Subfund in Luxembourg, the restrictions set out in section 4) above need not to be complied with, provided that the principle of risk spreading is observed.

If the limits referred to above are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, the Management Company shall as a matter of priority remedy that situation, taking due account of the interests of the Unitholders.

The Management Company is entitled to issue, at any time, further investment restrictions in the interest of the Unitholders, if for example such restrictions are necessary to comply with legislation and regulations in those countries in which Units of the Fund are or will be offered for sale or for purchase.

## 7. Risk Factors

**Prospective investors should consider the following risk factors before investing in the Fund. However, the risk factors set out below do not purport to be an exhaustive list of risks related to investments in the Fund. Prospective investors should read the entire Prospectus, and where appropriate consult with their legal, tax and investment advisers, in particular regarding the tax consequences of subscribing, holding, converting, redeeming or otherwise disposing of Units under the law of their country of citizenship, residence or domicile (further details are set out in Chapter 9, "Expenses and Taxes").**

**Investors should be aware that the investments of the Fund are subject to market fluctuations and other risks associated with investments in transferable securities and other financial instruments. The value of the investments and the resulting income may go up or down and it is possible that investors will not recoup the amount originally invested in the Fund, including the risk of loss of the entire amount invested. There is no assurance that the investment objective of a particular Subfund will be achieved or that any increase in the value of the assets will occur. Past performance is not a reliable indicator of future results.**

The net asset value of a Subfund may vary as a result of fluctuations in the value of the underlying assets and the resulting income. Investors are reminded that in certain circumstances their right to redeem Units may be suspended.

Depending on the currency of the investor's domicile, exchange-rate fluctuations may adversely affect the value of an investment in one or more of the Subfunds. Moreover, in the case of an Alternate Currency Class in which the currency risk is not hedged, the result of the associated foreign exchange transactions may have a negative influence on the performance of the corresponding Unit class.

### Market Risk

Market risk is a general risk which may affect all investments to the effect that the value of a particular investment could change in a way that is detrimental to the Fund's interests. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

### Interest Rate Risk

Subfunds investing in fixed income securities may fall in value due to fluctuations in interest rates. Generally, the value of fixed income securities rises when interest rates fall. Conversely, when interest rates rise, the value of fixed income securities can generally be expected to decrease. Long term fixed income securities will normally have more price volatility than short term fixed income securities.

### Foreign Exchange Risk

The Subfunds' investments may be made in other currencies than the relevant Reference Currency and therefore be subject to currency fluctuations, which may affect the net asset value of the relevant Subfunds favourably or unfavourably.

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 Reference Currency of the relevant Subfund, 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.

The Subfunds may enter into hedging transactions on currencies to protect against a decline in the value of investments denominated in currencies other than the Reference Currency, and against any increase in

the cost of investments denominated in currencies other than the Reference Currency. However, there is no guarantee that the hedging will be successfully achieved.

#### **Credit Risk**

Subfunds investing in fixed income securities are subject to the risk that issuers may not make payments on such securities. An issuer suffering and adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity. Subfunds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

#### **Counterparty Risk**

The Fund may enter into over-the-counter transactions which will expose the Subfunds to the risk that the counterparty may default on its obligation to perform under such contracts. In the event of bankruptcy of counterparty, the Subfunds could experience delays in liquidating the position and significant losses.

#### **Liquidity Risk**

There is a risk that the Fund will suffer liquidity issues because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such case the Fund may not be able to pay redemption proceeds within the time period stated in this Prospectus.

#### **Management Risk**

The Fund is actively managed and therefore the Subfunds may be subject to management risks. The Management Company will apply its investment strategy (including investment techniques and risk analysis) when making investment decisions for the Subfunds, however no assurance can be given that the investment decision will achieve the desired results. The Management Company may in certain cases decide not to use investment techniques, such as derivative instruments, or, they may not be available, even under market conditions where their use could be beneficial for the relevant Subfund.

#### **Investment Risk**

##### ***Investments in Equities***

The risks associated with investments in equity (and equity-type) securities include in particular significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity compared to debt securities issued by the same company.

Investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

##### ***Investments in Fixed Income Securities***

Investments in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in interest rates as well as fluctuations in currency exchange rates (as further described above under section "Interest Rate Risk" and "Foreign Exchange Risk") and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the Reference Currency of the Subfund would reduce the value of certain portfolio securities that are denominated in such a currency.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

The performance of investments in fixed income securities denominated in a specific currency will also depend on the interest rate environment in the country issuing that currency. As the net asset value of a Subfund is calculated in its Reference Currency, the performance of investments denominated in a currency other than the Reference Currency will depend on the strength of such currency against the Reference Currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-

Reference Currency investments (such as a change in the political climate or an issuer's credit quality), an increase in the value of the non-Reference Currency can generally be expected to increase the value of a Subfund's non-Reference Currency investments in terms of the Reference Currency. The Subfunds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies on the basis of the creditworthiness or risk of default. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issue. Moreover, the Subfunds may invest in debt instruments in the non investment grade sector (high yield debt securities). Compared to investment grade debt securities, high yield debt securities are generally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default attached to these debt instruments.

##### ***Investments in Warrants***

The leveraged effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than in the case of investment in equities. Because of the volatility of warrants, the volatility of the unit price of any Subfund investing in warrants may potentially increase.

##### ***Investments in Target Funds***

Investors should note that investments in Target Funds may incur the same costs both at the Subfund level and at the level of the Target Funds. Furthermore, the value of the units or shares in the Target Funds may be affected by currency fluctuations, currency exchange transactions, tax regulations (including the levying of withholding tax) and any other economic or political factors or changes in the countries in which the Target Fund is invested, along with the risks associated with exposure to the emerging markets.

The investment of the Subfund's assets in units or shares of Target Funds entails a risk that the redemption of the units or shares may be subject to restrictions, with the consequence that such investments may be less liquid than other types of investment.

##### ***Use of Derivatives***

While the use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments.

Derivatives are highly specialized financial instruments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions.

If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.

The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives are complex and are often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund. Consequently, the Fund's use of derivatives may not always be an effective means to achieve the Fund's investment objective and may sometimes even have the contrary effect.

Derivative instruments also carry the risk that a loss may be sustained by the Fund as a result of the failure of the counterparty to a derivative to comply with the terms of the contract (as further described under "Counterparty Risk" above). The default risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, assumes a guarantee of performance. In addition, the use of credit derivatives (credit default swaps, credit linked notes) carries the risk of a loss arising for the Fund if one of the entities underlying the credit derivative defaults.

Moreover, OTC derivatives may bear liquidity risks. The counterparties with which the Fund effects transactions might cease making markets or

quoting prices in certain of the instruments. In such cases, the Fund might not be in a position to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Unlike exchange-traded derivatives, forward, spot and option contracts on currencies do not provide the Management Company with the possibility to offset the Fund's obligations through an equal and opposite transaction. Therefore, through entering into forward, spot or options contracts, the Fund may be required, and must be able, to perform its obligations under these contracts.

The use of derivative instruments may or may not achieve its intended objective.

### ***Investments in Hedge Fund Indices***

In addition to the risks entailed in traditional investments (such as market, credit and liquidity risks), investments in hedge fund indices entail a number of specific risks that are set out below.

The hedge funds underlying the respective index, as well as their strategies, are distinguished from traditional investments primarily by the fact that their investment strategy may involve the short sale of securities and, on the other hand, by using borrowings and derivatives, a leverage effect may be achieved.

The leverage effect entails that the value of a fund's assets increases faster if capital gains arising from investments financed by borrowing exceed the related costs, notably the interest on borrowed monies and premiums payable on derivative instruments. A fall in prices, however, causes a faster decrease in the value of the Fund's assets. The use of derivative instruments, and in particular of short selling, can in extreme cases lead to a total loss in value.

Most of the hedge funds underlying the respective index were established in countries in which the legal framework, and in particular the supervision by the authorities, either does not exist or does not correspond to the standards applied in western Europe or other comparable countries. The success of hedge funds depends in particular on the competence of the fund managers and the suitability of the infrastructure available to them.

### ***Investments in Goods, Commodity and Real Estate Indices***

In addition to the risks entailed in traditional investments (such as market, credit and liquidity risks), investments in goods, commodity and real estate indices are subject to greater price fluctuations compared to traditional investments. When included in a broadly diversified portfolio, however, investments in goods, commodity and real estate indices generally show only a low correlation to traditional investments.

### ***Investments in illiquid Assets***

The Fund may invest up to 10% of the total net assets of each Subfund in securities which are not traded on stock exchanges or regulated markets. It may therefore be the case that the Fund cannot readily sell such securities. Moreover, there may be contractual restrictions on the resale of such securities. In addition, the Fund may under certain circumstances trade futures contracts or options thereon. Such instruments may also be subject to illiquidity in certain situations when, for example, market activity decreases, or when a daily fluctuation limit has been reached. Most futures exchanges restrict the fluctuations in future contract prices during a single day by regulations referred to as "daily limits". During a single trading day no trades may be executed at prices above or below these daily limits. Once the price of a futures contract has increased or decreased to the limit, positions can neither be purchased nor compensated. Futures prices have occasionally moved outside the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Fund from promptly liquidating unfavourable positions and therefore result in losses.

For the purpose of calculating the net asset value, certain instruments, which are not listed on an exchange, for which there is limited liquidity, will be valued based upon the average price taken from at least two major primary dealers. These prices may affect the price at which Units are redeemed or purchased. There is no guarantee that in the event of a sale of such instruments the price thus calculated can be achieved.

### ***Investments in Asset Backed Securities and Mortgage Backed Securities***

The Subfunds may have exposure to asset backed securities („ABS“) and mortgage backed securities („MBS“). ABS and MBS are debt securities issued by a special purpose vehicle (SPV) with the aim to pass through of

liabilities of third parties other than the parent company of the issuer. Such securities are secured by an asset pool (mortgages in the case of MBS and various types of assets in the case of ABS). Compared to other traditional fixed income securities such as corporate or government issued bonds, the obligations associated with these securities may be subject to greater counterparty, liquidity and interest rate risks as well as other types of risks, such as reinvestment risk (arising from included termination rights, prepayment options), credit risks on the underlying assets and advance repayments of principal resulting in a lower total return (especially, if repayment of the debt is not concurrent with redemption of the assets underlying the claims).

ABS and MBS assets may be highly illiquid and therefore prone to substantial price volatility.

### ***Small to medium-sized Companies***

A number of Subfunds may invest in small and medium-sized companies. Investing in the securities of smaller, lesser-known companies involves greater risk and the possibility of price volatility due to the specific growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks and the greater sensitivity of smaller companies to changing market conditions.

### ***Clearing and Settlement Procedures***

Different markets also have different clearing and settlement procedures. Delays in settlement may result in temporary periods when a portion of the assets of a Subfund is uninvested and no return is earned thereon. The inability of the Management Company to make intended security purchases due to settlement problems could cause a Subfund to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Subfund due to subsequent declines in value of the portfolio security or, if a Subfund has entered into a contract to sell the security, could result in possible liability to the purchaser.

### ***Investment Countries***

The issuers of fixed income securities and the companies, the shares of which are purchased, are generally subject to different accounting, auditing and financial reporting standards in the different countries of the world. The volume of trading, volatility of prices and liquidity of issuers may vary from one market or country to another. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit the Fund's ability to invest in securities of certain issuers located in those countries.

### ***Concentration in certain Countries***

Where a Subfund restricts itself to investing in securities of issuers located in a particular country/countries, such concentration will expose the Subfund to the risk of adverse social, political or economic events which may occur in that country or countries.

The risk increases if the country in question is an emerging market. Investments in these Subfunds are exposed to the risks described below, which may be exacerbated by the special factors pertaining to this emerging market.

### ***Investments in Emerging Countries***

Investors should note that certain Subfunds may invest in less developed or emerging markets. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Subfunds investing in such markets, as well as the income derived from the Subfund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Units of these Subfunds may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal

regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Subfunds investing in emerging market securities.

### Industry/Sector Risk

The Subfunds may invest in specific industries or sectors or a group of related industries. These industries or sectors may, however, be affected by market or economic factors, which could have a major effect on the value of the Subfund's investments.

### Securities Lending

Securities lending transactions involve counterparty risk, including the risk that the lent securities may not be returned or returned in a timely manner. Should the borrower of securities fail to return the securities lent by a Subfund, there is a risk that the collateral received may be realised at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, decrease in the credit rating of the issuer of the collateral or the illiquidity of the market in which the collateral is traded.

### Taxation

The proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source.

It is possible that the tax law (and/or the current interpretation of the law) as well as the practice in countries, into which the Subfunds invest or may invest in the future, might change. As a result, the Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

## 8. Net Asset Value

Unless otherwise specified in Chapter 21, "Subfunds", the Net Asset Value of the Units in each Subfund shall be calculated in the Reference Currency of the respective Subfund and shall be determined by the Management Company in Luxembourg on each Banking Day on which banks are normally open all day for business in Luxembourg (each such day being referred to as a "Valuation Day"). In case the Valuation Day is not a full Banking Day in Luxembourg, the Net Asset Value of that Valuation Day will be calculated on the next following Banking Day. If a Valuation Day falls on a day which is a holiday in countries whose stock exchanges or other markets are decisive for valuing the majority of a Subfund's assets, the Management Company may decide, by way of exception, that the Net Asset Value of the Units in this Subfund will not be determined on such days.

For this purpose, the assets and liabilities of the Fund shall be allocated to the Subfunds (and to the individual Unit Classes within each Subfund), and the calculation is carried out by dividing the net asset value of the Subfund by the total number of Units outstanding for the relevant Subfund. If the Subfund in question has more than one Unit Class, that portion of the net asset value of the Subfund attributable to the particular Class will be divided by the number of issued Units of that Class.

The Net Asset Value of an Alternate Currency Class shall be calculated first in the Reference Currency of the relevant Subfund. Calculation of the Net Asset Value of the Alternate Currency Class shall be carried out through conversion at the mid-market rate between the Reference Currency and the alternate currency of the relevant Unit Class.

In particular, the costs and expenses associated with the conversion of monies in relation to the subscription, redemption and conversion of Units of an Alternate Currency Class as well as the hedging of currency exposure in relation to the Alternate Currency Class will be reflected in the Net Asset Value of that Alternate Currency Class.

The assets of each Subfund shall be valued as follows:

- a) Securities which are listed or regularly traded on a stock exchange shall be valued at the last available sales price. If such a price is not available for a particular trading day, the closing mid-price (the mean of the closing bid and ask prices), or alternatively the closing bid price, may be taken as a basis for the valuation.
- b) If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security.
- c) In the case of securities for which trading on a stock exchange is not significant but which are traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.
- d) Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange.
- e) Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Management Company shall value these securities in accordance with other criteria to be established by the Management Company and on the basis of the probable sales price, the value of which shall be estimated with due care and in good faith.
- f) Derivatives shall be treated in accordance with the above.
- g) The valuation price of a money market instrument shall be progressively adjusted to the redemption price, based on the net acquisition price and keeping the resultant investment yield constant. In the event of a significant change in market conditions, the basis for the valuation of different investments shall be brought into line with the new market yields.
- h) Units or shares of UCITS or other UCIs shall be valued on the basis of their most recently calculated net asset value, where necessary by taking due account of the redemption fee. Where no net asset value and only buy and sell prices are available for units or shares of UCITS or other UCIs, the units or shares of such UCITS or other UCIs may be valued at the mean of such buy and sell prices.
- i) Fiduciary and fixed-term deposits shall be valued at their respective nominal value plus accrued interest.

The amounts resulting from such valuations shall be converted into the Reference Currency of each Subfund at the prevailing mid-market rate. Foreign exchange transactions conducted for the purpose of hedging currency risks shall be taken into consideration when carrying out this conversion.

If a valuation in accordance with the above rules is rendered impossible or incorrect due to particular or changed circumstances, the Management Company shall be entitled to use other generally recognized and auditable valuation principles in order to reach a proper valuation of the Subfund's assets.

The Net Asset Value of a Unit shall be rounded up or down, as the case may be, to the next smallest unit of the Reference Currency.

The net asset value of one or more Subfunds may also be converted into other currencies at the mid-market rate should the Management Company decide to effect the issue and redemption of Units in one or more other currencies. Should the Management Company determine such currencies, the Net Asset Value of the respective Units in these currencies shall be rounded up or down to the next smallest unit of currency.

In exceptional circumstances, further valuations may be carried out on the same day; such valuations will be valid for any applications for subscription and/or redemption subsequently received.

The total net asset value of the Fund shall be calculated in Swiss francs.

### Adjustment of the Net Asset Value (Single Swing Pricing)

In order to protect existing Unitholders and subject to the conditions set out in Chapter 21, "Subfunds", the Net Asset Value per Unit Class of a Subfund may be adjusted upwards or downwards by a maximum percentage ("swing factor") indicated in Chapter 21, "Subfunds" in the event of a net surplus of subscription or redemption applications on a particular Valuation Day. In such case the same Net Asset Value applies to all incoming and outgoing investors on that particular Valuation Day.

The adjustment of the Net Asset Value is aiming to cover in particular but not exclusively transaction costs, tax charges and bid/offer spreads incurred by the respective Subfund due to subscriptions, redemptions and/or conversions in and out of the Subfund. Existing Unitholders would

no longer have to indirectly bear these costs, since they are directly integrated into the calculation of the Net Asset Value and hence, are borne by incoming and outgoing investors.

Unless otherwise specified in Chapter 21, "Subfunds", the Net Asset Value will be adjusted on every Valuation Day on a net deal basis regardless of the size of the net capital flow (i.e. it will not be required to exceed a predefined threshold of net capital flows to adjust the Net Asset Value). Unitholders should note that the performance calculated on the basis of the Net Asset Value might not reflect the true portfolio performance as a consequence of the adjustment of the Net Asset Value.

## 9. Expenses and Taxes

### i. Taxes

The following summary is based on the laws and practices currently applicable in the Grand Duchy of Luxembourg and is subject to changes thereto.

The Fund's assets are subject to a tax ("taxe d'abonnement") in the Grand Duchy of Luxembourg of 0.05% p.a., payable quarterly.

The Fund's income is not taxable in Luxembourg.

With the entry into force of the Luxembourg Law of 21 June 2005, European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments has been subsumed into Luxembourg law with effect from 1 July 2005. In accordance with this Directive, withholding tax is payable on interest income which, pursuant to said directive, accrues from distributions or from the transfer, exchange or redemption of Units of a Subfund and is directly credited by a paying agent to a beneficial owner who is a natural person resident in another EU Member State. The above shall only apply, however, if the investments of the Subfund which generate interest income as defined in European Council Directive 2003/48/EC exceed 15% of the Subfund's total net assets in the case of a distribution or 25% of total net assets in the case of the transfer, exchange or redemption of distribution or capital growth Units.

The rates at which such interest is taxable are as follows: 20% from 1 July 2008 to 30 June 2011 and 35% as of 1 July 2011. However, beneficial owners entitled to such interest payments who receive the payments from a paying agent which is domiciled in Luxembourg or maintains a permanent establishment there may request this paying agent to opt for an official exchange of information instead of the procedure mentioned above. This option, provided for under the Luxembourg Law of 21 June 2005, entails the forwarding of information concerning the interest payments to the tax authorities of the member state in which the beneficial owner of the shares is resident.

Dividends, interest, income and gains received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

According to the legislation currently in force, Unitholders are not required to pay any income, gift, inheritance or other taxes in Luxembourg, unless they are resident or domiciled in Luxembourg or maintain a permanent establishment there.

The tax consequences will vary for each investor in accordance with the laws and practices currently in force in an investor's country of citizenship, residence or temporary domicile, and in accordance with his or her personal circumstances. Investors should therefore ensure they are fully informed in this respect and should, if necessary, consult their financial adviser.

### ii. Expenses

Apart from the above "taxe d'abonnement", the Fund shall bear the costs specified below, unless otherwise stated in Chapter 21, "Subfunds":

- a) All taxes which may be payable on the assets, income and expenses chargeable to the Fund;
- b) Standard brokerage and bank charges incurred by the Fund through securities transactions in relation to the portfolio (these charges shall be included in the acquisition cost of such securities and deducted from the sale proceeds);
- c) A monthly management fee for the Management Company, payable at the end of each month, based on the average daily Net Asset Value of the relevant Unit Class during that month. The management fee may be charged at different rates for individual Subfunds and Unit Classes within a Subfund or may be waived in full. Charges incurred by the Management Company in relation to the provision of investment advice shall be paid out of the

management fee. Further details of the management fees are included in Chapter 2, "Summary of Unit Classes";

- d) Fees payable to the Custodian Bank, which are charged at rates agreed from time to time with the Management Company on the basis of usual market rates prevailing in Luxembourg, and which are based on the net assets of the respective Subfund and/or the value of transferable securities and other assets held or determined as a fixed sum; the fees payable to the Custodian Bank may not exceed a pre-determined percentage amount although in certain cases the transaction fees and the fees of the Custodian Bank's correspondents may be charged additionally;
- e) Fees payable to the Paying Agents (in particular, a coupon payment commission), Transfer Agents and the authorized representatives in the countries of registration;
- f) All other charges incurred for sales activities and other services rendered to the Fund but not mentioned in the present section; for certain Unit Classes these fees may be borne in full or in part by the Management Company;
- g) Fees incurred for collateral management in relation to derivative transactions;
- h) Expenses, including those for legal advice, which may be incurred by the Management Company or the Custodian Bank through measures taken on behalf of the Unitholders;
- i) The cost of preparing, depositing and publishing the Management Regulations and other documents in respect of the Fund, including notifications for registration, Key Investor Information Documents, prospectuses or memoranda for all government authorities and stock exchanges (including local securities dealers' associations) which are required in connection with the Fund or with offering the Units; the cost of printing and distributing annual and semi-annual reports for the Unitholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations of the above-mentioned authorities; the cost of book-keeping and calculating the daily Net Asset Value, the cost of publications to Unitholders including the publication of prices for the Unitholders, the fees and costs of the Fund's auditors and legal advisers, and all other similar administrative expenses, and other expenses directly incurred in connection with the offer and sale of Units, including the cost of printing copies of the aforementioned documents or reports as are used in marketing the Fund Units. The cost of advertising may also be charged.

All recurring fees shall first be deducted from investment income, then from the gains from securities transactions and then from the Fund's assets. Other non-recurring fees, such as the costs for establishing new Subfunds or Unit Classes, may be written off over a period of up to five years.

The costs attributable to the individual Subfunds shall be allocated directly to them; otherwise the costs shall be divided among the individual Subfunds in proportion to the net asset value of each Subfund.

## 10. Accounting Year

The accounting year of the Fund closes on 31 March of each year.

## 11. Appropriation of Net Income and Capital Gains Capital-growth Units

At present, no distribution is envisaged for the capital-growth Unit Classes (Classes B and I) of the Subfunds, and the income generated shall be used to increase the Net Asset Value of the Units after deduction of general costs (capital growth).

However, the Management Company may, in accordance with the income appropriation policy as determined by the Board of Directors, distribute from time to time, in whole or in part, ordinary net income and/or realised capital gains as well as all non-recurring income, after deduction of realised capital losses.

### Distribution Units

It is currently anticipated that the only distribution Units shall be Class A Units. Other distribution-type Unit Classes may be issued in the future.

The Management Company decides what distribution shall be made from the net investment income attributable to each distribution Unit Class of each Subfund. In addition, gains made on the sale of assets belonging to the Fund may be distributed to investors. Further distributions may be

made from the Fund's assets in order to achieve an appropriate distribution ratio.

In the event of a distribution, this may take place on an annual basis or at any intervals to be specified by the Management Company. The Management Company intends to effect the annual distributions within three months after the close of the relevant accounting year.

### General Information

Payment of income distributions shall be made in the manner described in Chapter 5, "Redemption of Units". Income distribution in relation to still existing Units represented by bearer certificates shall be effected upon presentation of the coupons.

Claims for distributions which are not made within five years shall lapse and the assets involved shall revert to the respective Subfund.

## 12. Lifetime, Liquidation and Merger

The Fund and the Subfunds have been established for an unlimited period. Unitholders, their heirs or other beneficiaries may not request the division or liquidation of the Fund or of one of the Subfunds. However, the Management Company may at any time, with the approval of the Custodian Bank, terminate the Fund and dissolve individual Subfunds or individual Unit Classes. A decision to liquidate the Fund shall be published in the "Mémorial" and shall also be announced in at least two other newspapers as well as in the countries in which the Fund is admitted for public distribution. Any decision to dissolve a Subfund shall be published in accordance with Chapter 13, "Information for Unitholders". From the day the decision to liquidate is taken by the Management Company, no further Units shall be issued. However, Units may still be redeemed provided equal treatment of Unitholders can be ensured. At the same time, a provision shall be made for all identifiable outstanding expenses and fees. In case of liquidation of the Fund or a Subfund, the Management Company shall dispose of the Fund's assets in the best interests of the Unitholders and shall instruct the Custodian Bank to distribute the net liquidation proceeds (after deduction of liquidation costs) proportionately to the Unitholders. If it is in the interest of Unitholders, the Management Company may proceed with a redemption in kind (after deduction of liquidation costs) to Unitholders.

If the Management Company liquidates a Unit Class without terminating the Fund or a Subfund, it must redeem all Units of such Class at their then current Net Asset Value. Notice of redemption shall be published by the Management Company or notified to the Unitholders when permitted under Luxembourg laws and regulations, and the redemption proceeds shall be paid to the former Unitholders in the respective currency by the Custodian Bank or Paying Agents.

Any liquidation and redemption proceeds that cannot be distributed to the Unitholders within a period of six months shall be deposited with the "Caisse de Consignation" in Luxembourg until the statutory period of limitation has elapsed.

The Management Company may in accordance with the definitions and conditions set out in the Law of 17 December 2010 decide to merge any Subfund, either as receiving or merging Subfund, with one or more Subfunds of the Fund by converting the Unit Class or Classes of one or more Subfunds into the Unit Class or Classes of another Subfund of the Fund. In such cases, the rights attaching to the various Unit Classes shall be determined by reference to the respective Net Asset Value of the respective Unit Classes on the effective date of such merger.

Moreover, the Management Company may decide to merge the Fund or any of its Subfunds, either as merging UCITS or as a receiving UCITS on a cross-border and domestic basis in accordance with the definitions and conditions set out in the Law of 17 December 2010.

Mergers shall be announced at least thirty days in advance in order to enable Unitholders to request the redemption or conversion of their Units.

## 13. Information for Unitholders

Information about the launch of new Subfunds may be obtained from the Custodian Bank and the Distributors. The audited annual reports shall be made available to Unitholders free of charge at the registered office of the Management Company, at the Paying Agents, Information Agents and Distributors, within four months of the close of each accounting year. Unaudited semi-annual reports shall be made available in the same way within two months of the end of the accounting period to which they refer.

Other information regarding the Fund, as well as the issue and redemption prices of the Units, may be obtained on any Banking Day at the registered office of the Management Company.

The Net Asset Value is published daily on the internet at "[www.credit-suisse.com](http://www.credit-suisse.com)", and in various newspapers.

All announcements to Unitholders, including any information relating to a suspension of the calculation of the Net Asset Value, shall, if required, be published in the "Mémorial", "Luxemburger Wort" and various newspapers in those countries in which the Fund is admitted for public distribution. The Management Company may also place announcements in other newspapers and periodicals of its choice.

Investors may obtain the Prospectus, the Key Investor Information Document, the latest annual and semi-annual reports and copies of the Management Regulations free of charge from the registered office of the Management Company. The relevant contractual agreements as well as the Management Company's articles of incorporation are available for inspection at the registered office of the Management Company during normal business hours.

## 14. Management Company

Credit Suisse Fund Management S.A. was incorporated in Luxembourg as CSAM Invest Management Company on December 9, 1999 as a public limited company for an indefinite period and is subject to the provisions of Chapter 15 of the Law of 17 December 2010. The name of the Management Company was changed to Credit Suisse Fund Management Company on October 15, 2003 and to Credit Suisse Fund Management S.A. on April 26, 2005. It has its registered office in Luxembourg, at 5, rue Jean Monnet.

The articles of incorporation of the Management Company were first published in the "Mémorial" on December 31, 1999 and since that time have been amended several times. The legally binding version is deposited at the Commercial and Company Register of the Luxembourg District Court. The last amendment of the articles of incorporation was published on February 23, 2006 in the "Mémorial". The Management Company is registered at the Luxembourg Registry of Commerce under no. B 72 925. The equity capital of the Management Company amounts to two hundred and fifty thousand (250,000) Swiss francs. The share capital is held by Credit Suisse Holding Europe (Luxembourg) S.A.

The Board of Directors of the Management Company shall have plenary powers on behalf of the Company and shall cause and undertake all such actions and provisions which are necessary in pursuit of the Company's objective, particularly in relation to the management of the Fund's assets, central administration and distribution of Units.

The Board of Directors is currently composed of the members listed in Chapter 19, "Main Parties".

The Management Company shall be supervised by an independent auditor. At present, this function is performed by KPMG Audit S.à r.l., Luxembourg.

In addition to the Fund, the Management Company currently manages further undertakings for collective investment.

## 15. Investment Advisers

The Management Company may, at its own discretion, appoint an Investment Adviser for each Subfund to assist it in the management of the individual portfolios.

For all Subfunds except for the Subfund Credit Suisse Portfolio Fund (Lux) Reddito (Euro), the Management Company has appointed: Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich.

For the Subfund Credit Suisse Portfolio Fund (Lux) Reddito (Euro) the Management Company has appointed: Credit Suisse Asset Management Funds S.p.A., Società di Gestione del Risparmio, Via Santa Margherita 3, I-20121 Milan. Credit Suisse Asset Management SIM S.p.A., which is part of Credit Suisse Group AG, is active primarily in the sale of financial services, asset management and investment counselling.

The Investment Advisers operate in an exclusively advisory capacity. All investment decisions are taken by the Management Company. The Investment Advisers are, however, permitted to conclude transactions with a broker and to offer such transactions to the Management Company following their conclusion. Should the Management Company reject such an offer, the relevant transaction shall be regarded as having been executed for the Investment Adviser's own account.

## 16. Custodian Bank

Credit Suisse (Luxembourg) S.A., having its registered office at 56, Grand'rue, L-1660 Luxembourg, assumes the rights and duties of the Custodian Bank as laid down in Articles 17 and 18 of the Law of 17 December 2010.

The Custodian Bank is entrusted with the safekeeping of the assets of the Fund. It shall carry out all operations concerning the day-to-day administration of the Fund's assets and must ensure that the sale, issue, repurchase and cancellation of Units effected on behalf of the Fund or by the Management Company are carried out in accordance with the Law of 17 December 2010 and the Management Regulations. The Custodian Bank must also ensure that the value of Units is calculated in accordance with the Law of 17 December 2010 as well as the Management Regulations and carry out the instruction of the Management Company, unless they conflict with the aforementioned law or the Management Regulations. Moreover, it shall ensure that in transactions involving the Fund's assets, any consideration is remitted to it within the usual time limits and that the Fund's income is applied in accordance with the Management Regulations.

With the consent of the Management Company, the Custodian Bank may under its responsibility entrust other credit institutions and financial institutions with the custody of securities and other assets of the Fund. The Custodian Bank may keep securities in collective safekeeping accounts at depositaries selected by the Custodian Bank with the consent of the Management Company.

The Management Company and the Custodian Bank may terminate the Custodian Bank agreement at any time in writing by giving three months' notice. However, the Management Company may dismiss the Custodian Bank only if a new custodian bank is appointed within two months to take over the functions and responsibilities of the Custodian Bank. After its dismissal, the Custodian Bank must continue to carry out its functions and responsibilities until such time as the entire assets of the Fund have been transferred to the new custodian bank.

## 17. Central Administration

Credit Suisse Fund Services (Luxembourg) S.A., a service company registered in Luxembourg which belongs to Credit Suisse Group AG, has been entrusted with all administrative duties that arise in connection with the administration of the Fund, including the issue and redemption of Units, valuation of the assets, calculation of the net asset value, accounting and maintenance of the register of Unitholders.

## 18. Regulatory Disclosure

### Conflicts of Interest

The Management Company, the Investment Advisers, the Central Administration, the Custodian Bank and certain Distributors are part of Credit Suisse Group AG (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests. The Fund will not be entitled to compensation related to such business activities.

The Management Company is not prohibited to enter into any transactions with the Affiliated Person, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. In such case, in addition to the management fees the Management Company or the Investment Adviser earn for managing the Fund, they may also have an arrangement with the issuer, dealer and/or distributor of any products entitling them to a share in the revenue from such products that they purchase on behalf of the Fund.

Moreover, the Management Company or the Investment Advisers are not prohibited to purchase or to provide advice to purchase any products on behalf of the Fund where the issuer, dealer and/or distributor of such products is part of the Affiliated Person provided that such transactions are carried out in the best interest of the Fund as if effected on normal commercial terms negotiated at arm's length. Entities of the Affiliated Person act as counterparty for financial derivative contracts entered into by the Fund.

Potential conflicts of interest or duties may arise because the Affiliated Person may have invested directly or indirectly in the Fund. The Affiliated Person could hold a relatively large proportion of Units in the Fund.

Employees and Directors of the Affiliated Person may hold Units in the Fund. Employees of the Affiliated Person are bound by the terms of the respective policy on personal transactions and conflicts of interest applicable to them.

In the conduct of its business the Management Company and the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Fund or its investors. The Affiliated Person, as well as the Management Company strive to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, both have implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Fund or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

Such procedures include, but are not limited to the following:

- Procedure to prevent or control the exchange of information between entities of the Affiliated Person,
- Procedure to ensure that any voting rights attached to the Fund's assets are exercised in the sole interests of the Fund and its investors,
- Procedures to ensure that any investment activities on behalf of the Fund are executed in accordance with the highest ethical standards and in the interests of the Fund and its investors,
- Procedure on management of conflicts of interest.

Notwithstanding its due care and best effort, there is a risk that the organisational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Fund or its Unitholders will be prevented. In such case these non-neutralised conflicts of interest as well as the decisions taken will be reported to investors in an appropriate manner (e.g. in the notes to the financial statements of the Fund or on the internet at "[www.credit-suisse.com](http://www.credit-suisse.com)").

### Complaints Handling

Investors are entitled to file complaints free of charge with the Distributor or the Management Company in an official language of their home country.

The complaints handling procedure is available free of charge on the internet at "[www.credit-suisse.com](http://www.credit-suisse.com)".

### Exercise of Voting Rights

The Management Company will in principle not exercise voting rights attached to the instruments held in the Subfunds, except in certain circumstances where it believes that the exercise of voting rights is particularly important to protect the interests of Unitholders. The decision to exercise voting rights, in particular the determination of the circumstances referred to above, is in the sole discretion of the Management Company.

Details of the actions taken will be made available to Unitholders free of charge on their request.

### Best Execution

The Management Company acts in the best interests of the Fund when executing investment decisions. For that purpose it takes all reasonable steps to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution). Where the Investment Advisers are permitted to execute transactions, they will be committed contractually to apply equivalent best execution principles, if they are not already subject to equivalent best execution laws and regulations.

The best execution policy is available for investors on the internet at "[www.credit-suisse.com](http://www.credit-suisse.com)".



## 19. Main Parties

### Management Company

Credit Suisse Fund Management S.A.  
5, rue Jean Monnet, L-2180 Luxembourg

### Board of Directors

- Luca Diener  
Managing Director, Credit Suisse AG, Zurich
- Jean-Paul Gennari  
Managing Director, Credit Suisse Fund Services (Luxembourg) S.A., Luxembourg
- Petra Reinhard Keller  
Managing Director, Credit Suisse Asset Management Funds AG, Zurich
- Guy Reiter  
Director, Credit Suisse Fund Management S.A., Luxembourg
- Germain Trichies  
Director, Credit Suisse Fund Management S.A., Luxembourg

### Custodian Bank and Paying Agent

Credit Suisse (Luxembourg) S.A., 56, Grand' rue, L-1660 Luxembourg

### Independent Auditor of the Fund

KPMG Audit S.à r.l., 9, allée Scheffer, L-2520 Luxembourg

### Distributors

- Credit Suisse Fund Services (Luxembourg) S.A.,  
5, rue Jean Monnet, L-2180 Luxembourg
- Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich

### Central Administration

Credit Suisse Fund Services (Luxembourg) S.A.,  
5, rue Jean Monnet, L-2180 Luxembourg

## 20. Distribution

### Distribution of Units in Switzerland

The Representative of the Fund in Switzerland is Credit Suisse Asset Management Funds AG, Sihlcity – Kalandergrasse 4, CH-8070 Zurich.

The Paying Agent in Switzerland is Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich.

Unitholders may obtain the Prospectus, the Key Investor Information Document, copies of the Management Regulations and the latest annual and semi-annual reports free of charge from the Representative in Switzerland.

All notices to Unitholders shall be published at least in the "Schweizerisches Handelsamtsblatt" and on the electronic platform "[www.swissfunddata.ch](http://www.swissfunddata.ch)". The issue and the redemption prices or the Net Asset Value together with a footnote "exclusive commissions" shall be published daily at least on the electronic platform "[www.swissfunddata.ch](http://www.swissfunddata.ch)".

With respect to Units distributed in Switzerland and out of Switzerland, the place of performance and jurisdiction is deemed to be the registered office of the Representative in Switzerland.

In connection with distribution in Switzerland, reimbursements are payable to the following qualified investors holding Units on behalf of third parties for business purposes: life insurance companies, pension funds and other benefits institutions, investment foundations, Swiss fund managers, foreign fund managers and investment fund companies, and investment companies. Moreover, in connection with distribution in Switzerland, distribution fees are payable to the following distributors and distribution partners: authorized distributors within the meaning of Art. 19 para. 1 CISA, distributors granted exemption from, the duty to obtain authorization within the meaning of Art. 19 para. 4 CISA and Art. 8 CISO, distribution partners that place the units exclusively with institutional investors with a professional treasury unit, and distribution partners that place the units exclusively on the basis of a written discretionary asset management agreement.

### Distribution of Units in Germany

Deutsche Bank AG, Taunusanlage 12, D-60325 Frankfurt am Main, is the Paying Agent for the Fund in Germany.

Applications for the redemption and conversion of Units may be lodged with the Paying Agent.

All payments which are intended for Unitholders (including proceeds of the redemption of Units and any distributions) may be channelled, at their request, via the Paying Agent and/or paid out by the Paying Agent in cash in euros.

The Paying Agent is also the Information Agent for the Fund in Germany. Any correspondence with the Paying and Information Agent in Germany should be directed to Deutsche Bank AG, TSS/Global Equity Services, Post IPO Services.

Credit Suisse (Deutschland) AG, Junghofstraße 16, D-60311 Frankfurt am Main, is an additional Information Agent (individually and collectively referred to as "Information Agent") for the Fund in Germany.

Investors may obtain hard copies of the Prospectus, Key Investor Information Document, Management Regulations, audited annual report and unaudited semi-annual report, together with the issue, redemption and conversion prices, free of charge from the Information Agent.

Furthermore, the Management Company's articles of incorporation are available for inspection at the Information Agent.

Any required notices to Unitholders and the issue and redemption prices shall be published in the "Börsen-Zeitung" as a minimum. The Management Company may also place announcements in other newspapers and periodicals of its choice.

The Management Company is required, if requested, to supply the German tax authorities with evidence demonstrating, for example, the correctness of the declared basis for taxation. The calculation of this basis may be interpreted in different ways, and it is not possible to guarantee that the German tax authorities will accept the Management Company's calculation method in every significant respect. Moreover, investors must be aware that, in the event that past errors come to light, corrections may not be generally made with retroactive effect but in principle are only applied to the current financial year. Consequently, such corrections may adversely affect or benefit those investors who receive a distribution or to whom capital growth accrues in the current financial year.

### Distribution of Units in Austria

UniCredit Bank Austria AG, Schottengasse 6–8, A-1010 Vienna, is the Paying Agent (the "Austrian Paying Agent") for Austria.

All payments intended for Unitholders may be channelled at his or her request via the Austrian Paying Agent and/or upon request may be paid in cash by the Austrian Paying Agent.

Applications for the redemption of Units may be lodged with the Austrian Paying Agent.

Hardcopies of the Prospectus, the Key Investor Information Document, the Management Regulations, the audited annual report as well as the unaudited semi-annual report and the issue and redemption prices are available free of charge from the Austrian Paying Agent.

All notices to Unitholders and price publications shall be published in the "Wiener Zeitung" as a minimum. The Management Company may also place announcements in other newspapers and periodicals of its choice.

### Distribution of Units in Liechtenstein

The Paying Agent and Representative in Liechtenstein is LGT Bank in Liechtenstein Aktiengesellschaft, Herrngasse 12, FL-9490 Vaduz.

Announcements to investors concerning amendments to the Management Regulations, change of the Management Company or the Custodian Bank as well as the liquidation of the Fund shall be published in the "Liechtensteiner Vaterland".

Prices are published on the electronic platform "[www.swissfunddata.ch](http://www.swissfunddata.ch)" each day on which Units are issued and redeemed. At least twice a month, prices are published in the "Liechtensteiner Vaterland".

## 21. Subfunds

**Credit Suisse Portfolio Fund (Lux) Balanced (Euro)**  
**Credit Suisse Portfolio Fund (Lux) Balanced (Sfr)**  
**Credit Suisse Portfolio Fund (Lux) Balanced (US\$)**

The currency mentioned in the Subfunds' names is the Reference Currency in which the performance and net asset value of the particular Subfund is calculated. Investments may be made in any currency.

**Investment Objective**

The objective of the Balanced Subfunds is to achieve the highest possible overall performance, consisting of current income, capital gains and currency results in the respective Reference Currency by investing in the asset classes described below in accordance with the principle of risk diversification.

**Investment Policy**

The Subfunds invest their assets worldwide providing direct or indirect exposure to the asset classes described below. Indirect exposure may be achieved amongst others via the use of derivatives, structured products and Target Funds. The main part of the investments may be made occasionally in other currencies than the respective Reference Currency of each Subfund.

**Asset Allocation**

The total exposure to the asset classes listed below, whether direct or indirect, must not exceed the limits specified below (in % of the total net assets of the respective Subfund):

Asset class	Range
Cash and other cash equivalent	0–60%
Fixed income	10–70%
Equity	30–60%
Alternative investments	0–20%

In compliance with the provisions of Chapter 6, "Investment Restrictions", the exposure to alternative investments will be achieved indirectly through the use of one or more of the financial instruments listed below. The exposure to alternative investments may include commodities (including the individual categories of commodities), real estate, natural resources, hedge funds and precious metals or any combination of these asset classes.

If the alternative investments are to be tracked via derivatives, this must be done using derivatives which have a financial index as their underlying.

**Investment Instruments**

To achieve its investment objective, each Subfund may, subject to the aforementioned investment policy and exposure, use any of the instruments listed in section 1) of Chapter 6, "Investment Restrictions"; these may include, but not be limited to, the instruments specified below:

*Risk free liquid assets*

Each Subfund may invest in cash and other cash equivalent and bank deposits.

*Money market instruments*

Each Subfund may invest in money market instruments (of up to 397 days).

*Fixed income securities*

Each Subfund invests in fixed income securities, which may include but not limited to, bonds, notes, and similar fixed and variable interest rate securities, discounted securities issued by public, private and semi-private issuers.

*Equities and equity - type securities*

Each Subfund invests in equities and equity – type securities, which may include, but not limited to, American depository receipts (ADR), global depository receipts (GDR), profit-sharing certificates, dividend rights certificates and/or participation certificates issued by public, private and semi-private issuers.

*Target Funds*

Contrary to what is stated in section 5) of Chapter 6, "Investment Restrictions", each Subfund may invest up to 30% of its total net assets in units or shares of other UCITS and/or other UCIs pursuant to section 1 e) of Chapter 6, "Investment Restrictions".

Investors should note that investments in Target Funds generally incur the same costs, both at the Subfund level and at the level of the Target Funds.

*Structured Products*

The Subfunds may invest up to 100% of their total net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class institutions), and facilitate exposure to the asset classes specified above (including currencies). These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of 17 December 2010, such products must not entail any leverage effect. The underlying of the embedded derivatives contained in such a structured products can only consist in instruments listed in section 1 of Chapter 6, "Investment Restrictions". In addition to the general diversification provisions, the underlying baskets and indices must be sufficiently diversified. Structured products may include convertible and exchangeable bonds.

Moreover, each Subfund may invest up to 10% of its total net assets in asset backed securities (ABS) and mortgage backed securities (MBS).

*Derivatives*

In accordance with section 1g) of Chapter 6, "Investment Restrictions", the Subfunds may invest up to 100% of their total net assets in derivatives. Derivatives may be used for the purpose of hedging, efficient portfolio management and the implementation of the investment strategy within the limits set out in Chapter 6, "Investment Restrictions". Amongst others, the Subfund may engage in active currency allocation using forward contracts, futures, options, contracts for difference and swap contracts. This may include net short exposure to individual currencies.

If the underlying of derivatives are financial indices, such indices shall be chosen in accordance with Art. 9 of the Grand-Ducal Regulation of February 8, 2008 which requires that the composition of the index must be sufficiently diversified, the index represents an adequate benchmark for the market to which it refers and it is published in an appropriate manner ("Eligible Indices").

As a derogation to the before mentioned principle and provided such transactions are only used for risk diversification purposes, the Subfunds may also invest in derivative instruments facilitating exposure to single commodity indices ("SCIs"). SCIs are indices based on financial derivative instruments on a single commodity. While the composition of such indices does not comply with the diversification rules indicated in the previous paragraph, the exposure of the Subfund to SCI shall at any time comply with the 5/10/40% rule specified in section 4) a) of Chapter 6, "Investment Restrictions". Where the Subfunds have exposure to a combination of SCI and Eligible Indices, the Subfunds' net exposure to any single underlying commodity will not exceed 20%. This limit may be increased to a maximum of 35% in respect of one single underlying commodity.

**Global Exposure**

The global exposure of the Subfunds will be calculated on a commitment basis.

**Risk Information**

The risks related to the Subfunds are further described in Chapter 7, "Risk Factor".

**Investor Profile**

These Subfunds are suitable for yield-oriented investors with medium risk capacity who are also interested in longer-term capital growth and have a medium or long-term investment horizon.

There can be no guarantee that the investment objective will be met. The value of investments may go down as well as up and investors may not recover the value of their initial investment.

**Investment Adviser**

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Adviser to assist with the management of these Subfunds.

**Adjustment of the Net Asset Value (Single Swing Pricing)**

The Net Asset Value calculated in accordance with Chapter 8, "Net Asset Value" will be increased by up to a maximum of 2% per Unit in the event of a net surplus of subscription applications or reduced by up to a maximum of 2% per Unit in the event of a net surplus of redemption applications in respect of the applications received on the respective Valuation Day. This adjustment is not subject to a threshold to be reached. The effective date for the introduction of the Net Asset Value adjustment mechanism shall be determined by the Management Company and will be published in accordance with Chapter 13, "Information for Unitholders". Before sending their subscription applications investors must verify with the Central Administration whether the adjustment of the Net Asset Value has already been introduced.

Under exceptional circumstances the Management Company may, in the interest of Unitholders, decide to increase the maximum swing factor indicated above. In such case the Management Company would inform the investors in accordance with Chapter 13, "Information for Unitholders".

**Credit Suisse Portfolio Fund (Lux) Growth (Euro)**  
**Credit Suisse Portfolio Fund (Lux) Growth (Sfr)**  
**Credit Suisse Portfolio Fund (Lux) Growth (US\$)**

The currency mentioned in the Subfunds' names is the Reference Currency in which the performance and net asset value of the particular Subfund is calculated. Investments may be made in any currency.

**Investment Objective**

The objective of the Growth Subfunds is to achieve the highest possible overall performance, consisting of current income, capital gains and currency results in the respective Reference Currency by investing in the asset classes described below in accordance with the principle of risk diversification.

**Investment Policy**

The Subfunds invest their assets worldwide providing direct or indirect exposure to the asset classes described below. Indirect exposure may be achieved amongst others via the use of derivatives, structured products and Target Funds. The main part of the investments may be made in other currencies than the respective Reference Currency of each Subfund.

**Asset Allocation**

The total exposure to the asset classes listed below, whether direct or indirect, must not exceed the limits specified below (in % of the total net assets of the respective Subfund):

Asset class	Range
Cash and other cash equivalent	0–50%
Fixed income	0–50%
Equity	50–80%
Alternative investments	0–20%

In compliance with the provisions of Chapter 6, "Investment Restrictions", the exposure to alternative investments will be achieved indirectly through the use of one or more of the financial instruments listed below. The exposure to alternative investments may include commodities (including the individual categories of commodities), real estate, natural resources, hedge funds and precious metals or any combination of these asset classes.

If the alternative investments are to be tracked via derivatives, this must be done using derivatives which have a financial index as their underlying.

**Investment Instruments**

To achieve its investment objective, each Subfund may, subject to the aforementioned investment policy and exposure, use any of the instruments listed in section 1) of Chapter 6, "Investment Restrictions"; these may include, but not be limited to, the instruments specified below:

*Risk free liquid assets*

Each Subfund may invest in cash and other cash equivalent and bank deposits.

*Money market instruments*

Each Subfund may invest in money market instruments (of up to 397 days).

*Fixed income securities*

Each Subfund may invest in fixed income securities, which may include, but not limited to, bonds, notes, and similar fixed and variable interest rate securities, discounted securities issued by public, private and semi-private issuers.

*Equities and equity - type securities*

Each Subfund invests in equities and equity – type securities, which may include, but not limited to, American depository receipts (ADR), global depository receipts (GDR), profit-sharing certificates, dividend rights certificates and/or participation certificates issued by public, private and semi-private issuers.

*Target Funds*

Contrary to what is stated in section 5) of Chapter 6, "Investment Restrictions", each Subfund may invest up to 30% of its total net assets in units or shares of other UCITS and/or other UCIs pursuant to section 1 e) of Chapter 6, "Investment Restrictions".

Investors should note that investments in Target Funds generally incur the same costs, both at the Subfund level and at the level of the Target Funds.

*Structured Products*

The Subfunds may invest up to 100% of their total net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class institutions), and facilitate exposure to the asset classes specified above (including currencies). These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of 17 December 2010, such products must not entail any leverage effect. The underlying of the embedded derivatives contained in such a structured products can only consist in instruments listed in section 1 of Chapter 6, "Investment Restrictions". In addition to the general diversification provisions, the underlying baskets and indices must be sufficiently diversified. Structured products may include convertible and exchangeable bonds.

Moreover, each Subfund may invest up to 10% of its total net assets in asset backed securities (ABS) and mortgage backed securities (MBS).

*Derivatives*

In accordance with section 1g) of Chapter 6, "Investment Restrictions", the Subfunds may invest up to 100% of their total net assets in derivatives. Derivatives may be used for the purpose of hedging, efficient portfolio management and the implementation of the investment strategy within the limits set out in Chapter 6, "Investment Restrictions". Amongst others, the Subfund may engage in active currency allocation using forward contracts, futures, options, contracts of difference and swap contracts. This may include net short exposure to individual currencies.

If the underlying of derivatives are financial indices, such indices shall be chosen in accordance with Art. 9 of the Grand-Ducal Regulation of February 8, 2008 which requires that the composition of the index must be sufficiently diversified, the index represents an adequate benchmark for the market to which it refers and it is published in an appropriate manner ("Eligible Indices").

As a derogation to the before mentioned principle and provided such transactions are only used for risk diversification purposes, the Subfunds may also invest in derivative instruments facilitating exposure to single commodity indices ("SCIs"). SCIs are indices based on financial derivative instruments on a single commodity. While the composition of such indices does not comply with the diversification rules indicated in the previous paragraph, the exposure of the Subfund to SCI shall at any time comply with the 5/10/40% rule specified in section 4) a) of Chapter 6, "Investment Restrictions". Where the Subfunds have exposure to a

combination of SCI and Eligible Indices, the Subfunds' net exposure to any single underlying commodity will not exceed 20%. This limit may be increased to a maximum of 35% in respect of one single underlying commodity.

#### Global Exposure

The global exposure of these Subfunds will be calculated on a commitment basis.

#### Risk Information

The risks related to the Subfunds are further described in Chapter 7, "Risk Factor".

#### Investor Profile

These Subfunds are suitable for investors who are interested in achieving both investment returns and capital growth over a long-term investment horizon.

There can be no guarantee that the investment objective will be met. The value of investments may go down as well as up and investors may not recover the value of their initial investment.

#### Investment Adviser

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Adviser to assist with the management of these Subfunds.

#### Adjustment of the Net Asset Value (Single Swing Pricing)

The Net Asset Value calculated in accordance with Chapter 8, "Net Asset Value" will be increased by up to a maximum of 2% per Unit in the event of a net surplus of subscription applications or reduced by up to a maximum of 2% per Unit in the event of a net surplus of redemption applications in respect of the applications received on the respective Valuation Day. This adjustment is not subject to a threshold to be reached. The effective date for the introduction of the Net Asset Value adjustment mechanism shall be determined by the Management Company and will be published in accordance with Chapter 13, "Information for Unitholders". Before sending their subscription applications investors must verify with the Central Administration whether the adjustment of the Net Asset Value has already been introduced.

Under exceptional circumstances the Management Company may, in the interest of Unitholders, decide to increase the maximum swing factor indicated above. In such case the Management Company would inform the investors in accordance with Chapter 13, "Information for Unitholders".

#### Credit Suisse Portfolio Fund (Lux) Income (Euro) Credit Suisse Portfolio Fund (Lux) Income (Sfr) Credit Suisse Portfolio Fund (Lux) Income (US\$)

The currency mentioned in the Subfunds' names is the Reference Currency in which the performance and net asset value of the particular Subfund are calculated. Investments may be made in any currency.

#### Investment Objective

The objective of each Subfund is to generate an appropriate return in the respective Reference Currency by investing in the asset classes described below in accordance with the principle of risk diversification.

#### Investment Policy

The Subfunds invest their assets worldwide providing direct or indirect exposure to the asset classes described below. Indirect exposure may be achieved amongst others via the use of derivatives, structured products and Target Funds. The main part of the investments will be made in the respective Reference Currency of each Subfund. Thus, the risks associated with currency fluctuations are minimized in the long term.

#### Asset Allocation

The total exposure to the asset classes listed below, whether direct or indirect, must not exceed the limits specified below (in % of the total net assets of the respective Subfund):

Asset class	Range
Cash and other cash equivalent	0–50%
Fixed income	35–85%
Equity	15–35%
Alternative investments	0–20%

In compliance with the provisions of Chapter 6, "Investment Restrictions", the exposure to alternative investments will be achieved indirectly through the use of one or more of the financial instruments listed below. The exposure to alternative investments may include commodities (including the individual categories of commodities), real estate, natural resources, hedge funds and precious metals or any combination of these asset classes.

If the alternative investments are to be tracked via derivatives, this must be done using derivatives which have a financial index as their underlying.

#### Investment Instruments

To achieve its investment objective, each Subfund may, subject to the aforementioned investment policy and exposure, use any of the instruments listed in section 1) of Chapter 6, "Investment Restrictions"; these may include, but not be limited to, the instruments specified below:

##### *Risk free liquid assets*

Each Subfund may invest in cash and other cash equivalent and bank deposits.

##### *Money market instruments*

Each Subfund may invest in money market instruments (of up to 397 days).

##### *Fixed income securities*

Each Subfund invests in fixed income securities, which may include, but not limited to, bonds, notes, and similar fixed and variable interest rate securities, discounted securities issued by public, private and semi-private issuers.

##### *Equities and equity - type securities*

Each Subfund invests in equities and equity – type securities, which may include, but not limited to, American depository receipts (ADR), global depository receipts (GDR), profit-sharing certificates, dividend rights certificates and/or participation certificates issued by public, private and semi-private issuers.

##### *Target Funds*

Contrary to what is stated in section 5) of Chapter 6, "Investment Restrictions", the Subfunds may invest up to 30% of their total net assets in units or shares of other UCITS and/or other UCIs pursuant to section 1 e) of Chapter 6, "Investment Restrictions".

Investors should note that investments in Target Funds generally incur the same costs, both at the Subfund level and at the level of the Target Funds.

##### *Structured Products*

The Subfunds may invest up to 100% of their total net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class institutions), and facilitate exposure to the asset classes specified above (including currencies). These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of 17 December 2010, such products must not entail any leverage effect. The underlying of the embedded derivatives contained in such a structured product can only consist in instruments listed in section 1) of Chapter 6, "Investment Restrictions". In addition to the general diversification provisions, the underlying baskets and indices must be sufficiently diversified. Structured products may include convertible and exchangeable bonds.

Moreover, each Subfund may invest up to 10% of its total net assets in asset backed securities (ABS) and mortgage backed securities (MBS).

### Derivatives

In accordance with section 1g) of Chapter 6, "Investment Restrictions", the Subfunds may invest up to 100% of their total net assets in derivatives. Derivatives may be used for the purpose of hedging, efficient portfolio management and the implementation of the investment strategy within the limits set out in Chapter 6, "Investment Restrictions".

Amongst others, the Subfund may engage in active currency allocation using forward contracts, futures, options, contracts for difference and swap contracts. This may include net short exposure to individual currencies.

If the underlying of derivatives are financial indices, such indices shall be chosen in accordance with Art. 9 of the Grand-Ducal Regulation of February 8, 2008 which requires that the composition of the index must be sufficiently diversified, the index represents an adequate benchmark for the market to which it refers and it is published in an appropriate manner ("Eligible Indices").

As a derogation to the before mentioned principle and provided such transactions are only used for risk diversification purposes, the Subfunds may also invest in derivative instruments facilitating exposure to single commodity indices ("SCIs"). SCIs are indices based on financial derivative instruments on a single commodity. While the composition of such indices does not comply with the diversification rules indicated in the previous paragraph, the exposure of the Subfund to SCI shall at any time comply with the 5/10/40% rule specified in section 4) a) of Chapter 6, "Investment Restrictions". Where the Subfunds have exposure to a combination of SCI and Eligible Indices, the Subfunds' net exposure to any single underlying commodity will not exceed 20%. This limit may be increased to a maximum of 35% in respect of one single underlying commodity.

### Global Exposure

The global exposure of these Subfunds will be calculated on a commitment basis.

### Risk Information

The risks related to the Subfunds are further described in Chapter 7, "Risk Factor".

### Investor Profile

These Subfunds are suitable for security-oriented investors who are interested in earning an appropriate return.

There can be no guarantee that the investment objective will be met. The value of investments may go down as well as up and investors may not recover the value of their initial investment.

### Investment Adviser

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Adviser to assist with the management of these Subfunds.

### Adjustment of the Net Asset Value (Single Swing Pricing)

The Net Asset Value calculated in accordance with Chapter 8, "Net Asset Value" will be increased by up to a maximum of 2% per Unit in the event of a net surplus of subscription applications or reduced by up to a maximum 2% per Unit in the event of a net surplus of redemption applications in respect of the applications received on the respective Valuation Day. This adjustment is not subject to a threshold to be reached. The effective date for the introduction of the Net Asset Value adjustment mechanism shall be determined by the Management Company and will be published in accordance with Chapter 13, "Information for Unitholders". Before sending their subscription applications investors must verify with the Central Administration whether the adjustment of the Net Asset Value has already been introduced.

Under exceptional circumstances the Management Company may, in the interest of Unitholders, decide to increase the maximum swing factor indicated above. In such case the Management Company would inform the investors in accordance with Chapter 13, "Information for Unitholders".

## Credit Suisse Portfolio Fund (Lux) Reddito (Euro)

The currency mentioned in the Subfund's name is the Reference Currency in which the performance and net asset value of the Subfund is calculated. Investments may be made in any currency.

### Investment Objective

The objective of this Subfund is to generate an appropriate return in the respective Reference Currency by investing in asset classes described below in accordance with the principle of risk diversification.

### Investment Policy

The Subfund invests its assets worldwide providing direct or indirect exposure to the asset classes described below. Indirect exposure may be achieved amongst others via the use of derivatives, structured products and Target Funds. The main part of investments will be made in the Reference Currency of the Subfund. Investments in shares and other equivalent equity securities of issuers domiciled in Italy will account for a larger proportion than investments in equity of other issuers.

### Asset Allocation

The total exposure to the asset classes listed below, whether direct or indirect, must not exceed the limits specified below (in % of the total net assets of the respective Subfund):

Asset class	Range
Cash and other cash equivalent	0–40%
Fixed income	30–80%
Equity	10–40%
Alternative investments	0–20%

In compliance with the provisions of Chapter 6, "Investment Restrictions", the exposure to alternative investments will be achieved indirectly through the use of one or more of the financial instruments listed below. The exposure to alternative investments may include commodities (including the individual categories of commodities), real estate, natural resources, hedge funds and precious metals or any combination of these asset classes.

If the alternative investments are to be tracked via derivatives, this must be done using derivatives which have a financial index as their underlying.

### Investment Instruments

To achieve its investment objective, the Subfund may, subject to the aforementioned investment policy and exposure, use any of the instruments listed in section 1) of Chapter 6, "Investment Restrictions"; these may include, but not be limited to, the instruments specified below:

#### *Risk free liquid assets*

The Subfund may invest in cash and other cash equivalent and bank deposits.

#### *Money market instruments*

The Subfund may invest in money market instruments (of up to 397 days).

#### *Fixed income securities*

The Subfund invests in fixed income securities, which may include, but not limited to, bonds, notes, and similar fixed and variable interest rate securities, discounted securities issued by public, private and semi-private issuers.

#### *Equities and equity - type securities*

The Subfund invests in equities and equity – type securities, which may include, but not limited to, American depository receipts (ADR), global depository receipts (GDR), profit-sharing certificates, dividend rights certificates and/or participation certificates issued by public, private and semi-private issuers.

#### *Target Funds*

Contrary to what is stated in section 5) of Chapter 6, "Investment Restrictions", the Subfund may invest up to 30% of its total net assets in units or shares of other UCITS and/or other UCIs pursuant to section 1 e) of Chapter 6, "Investment Restrictions".

Investors should note that investments in Target Funds generally incur the same costs, both at the Subfund level and at the level of the Target Funds.

#### *Structured Products*

The Subfund may invest up to 100% of its total net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class institutions), and facilitate exposure to the asset classes specified above (including currencies). These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of 17 December 2010, such products must not entail any leverage effect. The underlying of the embedded derivatives contained in such structured products can only consist in instruments listed in section 1) of Chapter 6, "Investment Restrictions". In addition to the general diversification provisions, the underlying baskets and indices must be sufficiently diversified. Structured products may include convertible and exchangeable bonds.

Moreover, the Subfund may invest up to 10% of its total net assets in asset backed securities (ABS) and mortgage backed securities (MBS).

#### *Derivatives*

In accordance with section 1g) of Chapter 6, "Investment Restrictions", the Subfund may invest up to 100% of its total net assets in derivatives. Derivatives may be used for the purpose of hedging, efficient portfolio management and the implementation of the investment strategy within the limits set out in Chapter 6, "Investment Restrictions".

Amongst others, the Subfund may engage in active currency allocation using forward contracts, futures, options, contracts for difference and swap contracts. This may include net short exposure to individual currencies.

If the underlying of derivatives are financial indices, such indices shall be chosen in accordance with Art. 9 of the Grand-Ducal Regulation of February 8, 2008 which requires that the composition of the index must be sufficiently diversified, the index represents an adequate benchmark for the market to which it refers and it is published in an appropriate manner ("Eligible Indices").

As a derogation to the before mentioned principle and provided such transactions are only used for risk diversification purposes, the Subfund may also invest in derivative instruments facilitating exposure to single commodity indices ("SCIs"). SCIs are indices based on financial derivative instruments on a single commodity. While the composition of such indices does not comply with the diversification rules indicated in the previous paragraph, the exposure of the Subfund to SCI shall at any time comply with the 5/10/40% rule specified in section 4) a) of Chapter 6, "Investment Restrictions". Where the Subfund has exposure to a combination of SCI and Eligible Indices, the Subfund's net exposure to any single underlying commodity will not exceed 20%. This limit may be increased to a maximum of 35% in respect of one single underlying commodity.

#### **Global Exposure**

The global exposure of this Subfund will be calculated on a commitment basis.

#### **Risk Information**

The risks related to the Subfund are further described in Chapter 7, "Risk Factor".

#### **Investor Profile**

This Subfund is suitable for security-oriented investors who are interested in earning an appropriate return.

There can be no guarantee that the investment objective will be met. The value of investments may go down as well as up and investors may not recover the value of their initial investment.

#### **Investment Adviser**

The Management Company has appointed Credit Suisse Asset Management Funds S.p.A., Società di Gestione del Risparmio, Via Santa Margherita 3, I-20121 Mailand as Investment Adviser to assist in the management of this Subfund.

#### **Adjustment of the Net Asset Value (Single Swing Pricing)**

The Net Asset Value calculated in accordance with Chapter 8, "Net Asset Value" will be increased by up to a maximum of 2% per Unit in the event of a net surplus of subscription applications or reduced by up to a maximum of 2% per Unit in the event of a net surplus of redemption applications in respect of the applications received on the respective Valuation Day. This adjustment is not subject to a threshold to be reached. The effective date for the introduction of the Net Asset Value adjustment mechanism shall be determined by the Management Company and will be published in accordance with Chapter 13, "Information for Unitholders". Before sending their subscription applications investors must verify with the Central Administration whether the adjustment of the Net Asset Value has already been introduced.

Under exceptional circumstances the Management Company may, in the interest of Unitholders, decide to increase the maximum swing factor indicated above. In such case the Management Company would inform the investors in accordance with Chapter 13, "Information for Unitholders".



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