

**Credit Suisse Bond Fund (Lux)**  
Investment fund under Luxembourg law

**Prospectus**  
April 2012

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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

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Commission de Surveillance du Secteur Financier



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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. These 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 Bond 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 19, "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.

Some of the Units may be listed on the Luxembourg Stock Exchange.

The fund management company will not disclose any confidential information about investors unless it is required to do so by the applicable laws or regulations.

**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 Bond Fund (Lux) – Summary of Unit Classes <sup>(1)</sup>

Subfund (reference currency)	Unit Class	Currency	Minimum Holding	Unit Type <sup>(2)</sup>	Maximum Sales Charge	Maximum Adjustment of the Net Asset Value <sup>(5)</sup>	Maximum Management Fee (p.a.) <sup>(3)</sup>	Performance Fee
Credit Suisse Bond Fund (Lux) <b>Brazil (USD)</b>	<b>A</b>	USD	n/a	D	5.00%	6.00%	1.20%	n/a
	<b>B</b>	USD	n/a	CG	5.00%	6.00%	1.20%	n/a
	<b>D</b> <sup>(4)</sup>	USD	10 Units	CG	n/a	6.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	USD	n/a	CG	n/a	6.00%	0.25%	n/a
	<b>I</b>	USD	USD 3,000,000	CG	3.00%	6.00%	0.70%	n/a
	<b>M</b> <sup>(10)</sup>	USD	USD 25,000,000	CG	0.50%	6.00%	0.30%	n/a
	<b>N</b> <sup>(11)</sup>	JPY	n/a	D	n/a	6.00%	0.50%	n/a
	<b>P</b>	USD	USD 200,000	CG	3.00%	6.00%	0.80%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	6.00%	1.20%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	6.00%	0.60%	n/a
	<b>T</b> <sup>(9)(12)</sup>	EUR	n/a	CG	n/a	6.00%	0.25%	n/a
	<b>T</b> <sup>(9)(12)</sup>	CHF	n/a	CG	n/a	6.00%	0.25%	n/a
<b>W</b> <sup>(8)(10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	6.00%	0.30%	n/a	
Credit Suisse Bond Fund (Lux) <b>High Yield US\$ (USD)</b>	<b>A</b>	USD	n/a	D	5.00%	2.00%	1.20%	n/a
	<b>B</b>	USD	n/a	CG	5.00%	2.00%	1.20%	n/a
	<b>D</b> <sup>(4)</sup>	USD	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>DP</b> <sup>(4)</sup>	USD	10 Units	CG	n/a	2.00%	n/a <sup>(7)</sup>	<sup>(13)</sup>
	<b>F</b> <sup>(12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>I</b>	USD	USD 3,000,000	CG	3.00%	2.00%	0.70%	n/a
	<b>M</b> <sup>(10)</sup>	USD	USD 25,000,000	CG	0.50%	2.00%	0.30%	n/a
	<b>P</b>	USD	USD 200,000	CG	3.00%	2.00%	0.80%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	1.20%	n/a
	<b>R</b> <sup>(8)</sup>	EUR	n/a	CG	5.00%	2.00%	1.20%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9)(12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
<b>T</b> <sup>(9)(12)</sup>	CHF	n/a	CG	n/a	2.00%	0.25%	n/a	
<b>W</b> <sup>(8)(10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a	
Credit Suisse Bond Fund (Lux) <b>Inflation Linked (Euro) (EUR)</b>	<b>A</b>	EUR	n/a	D	5.00%	2.00%	1.00%	n/a
	<b>B</b>	EUR	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>D</b> <sup>(4)</sup>	EUR	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>I</b>	EUR	EUR 3,000,000	CG	3.00%	2.00%	0.50%	n/a
	<b>M</b> <sup>(10)</sup>	EUR	EUR 25,000,000	CG	0.50%	2.00%	0.25%	n/a
	<b>P</b>	EUR	EUR 200,000	CG	3.00%	2.00%	0.70%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9)(12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>T</b> <sup>(9)(12)</sup>	CHF	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>W</b> <sup>(8)(10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a
Credit Suisse Bond Fund (Lux) <b>Inflation Linked (Sfr) (CHF)</b>	<b>A</b>	CHF	n/a	D	5.00%	2.00%	1.00%	n/a
	<b>B</b>	CHF	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>D</b> <sup>(4)</sup>	CHF	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	CHF	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>I</b>	CHF	CHF 3,000,000	CG	3.00%	2.00%	0.50%	n/a
	<b>M</b> <sup>(10)</sup>	CHF	CHF 25,000,000	CG	0.50%	2.00%	0.25%	n/a
	<b>P</b>	CHF	CHF 200,000	CG	3.00%	2.00%	0.70%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9)(12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>T</b> <sup>(9)(12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>W</b> <sup>(8)(10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a

Subfund (reference currency)	Unit Class	Currency	Minimum Holding	Unit Type <sup>(2)</sup>	Maximum Sales Charge	Maximum Adjustment of the Net Asset Value <sup>(5)</sup>	Maximum Management Fee (p.a.) <sup>(3)</sup>	Performance Fee
Credit Suisse Bond Fund (Lux) <b>Inflation Linked (US\$)</b> (USD)	<b>A</b>	USD	n/a	D	5.00%	2.00%	1.00%	n/a
	<b>B</b>	USD	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>D</b> <sup>(4)</sup>	USD	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	USD	n/a	CG	n/a	2.00%	0.20%	n/a
	<b>I</b>	USD	USD 3,000,000	CG	3.00%	2.00%	0.50%	n/a
	<b>M</b> <sup>(10)</sup>	USD	USD 25,000,000	CG	0.50%	2.00%	0.25%	n/a
	<b>P</b>	USD	USD 200,000	CG	3.00%	2.00%	0.70%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9) (12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
<b>T</b> <sup>(9) (12)</sup>	CHF	n/a	CG	n/a	2.00%	0.25%	n/a	
<b>W</b> <sup>(8) (10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a	
Credit Suisse Bond Fund (Lux) <b>Sfr</b> (CHF)	<b>A</b>	CHF	n/a	D	5.00%	2.00%	0.90%	n/a
	<b>B</b>	CHF	n/a	CG	5.00%	2.00%	0.90%	n/a
	<b>D</b> <sup>(4)</sup>	CHF	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	CHF	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>I</b>	CHF	CHF 3,000,000	CG	3.00%	2.00%	0.45%	n/a
	<b>M</b> <sup>(10)</sup>	CHF	CHF 25,000,000	CG	0.50%	2.00%	0.25%	n/a
	<b>P</b>	CHF	CHF 200,000	CG	3.00%	2.00%	0.60%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	0.90%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9) (12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
<b>T</b> <sup>(9) (12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a	
<b>W</b> <sup>(8) (10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a	
Credit Suisse Bond Fund (Lux) <b>Short-Term Sfr</b> (CHF)	<b>A</b>	CHF	n/a	D	5.00%	2.00%	0.90%	n/a
	<b>B</b>	CHF	n/a	CG	5.00%	2.00%	0.90%	n/a
	<b>D</b> <sup>(4)</sup>	CHF	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	CHF	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>I</b>	CHF	CHF 3,000,000	CG	3.00%	2.00%	0.45%	n/a
	<b>M</b> <sup>(10)</sup>	CHF	CHF 25,000,000	CG	0.50%	2.00%	0.25%	n/a
	<b>P</b>	CHF	CHF 200,000	CG	3.00%	2.00%	0.60%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	0.90%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9) (12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
<b>T</b> <sup>(9) (12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a	
<b>W</b> <sup>(8) (10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a	
Credit Suisse Bond Fund (Lux) <b>TOPS (Euro)</b> (EUR)	<b>A</b>	EUR	n/a	D	5.00%	2.00%	1.00%	n/a
	<b>B</b>	EUR	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>D</b> <sup>(4)</sup>	EUR	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>I</b>	EUR	EUR 3,000,000	CG	3.00%	2.00%	0.50%	n/a
	<b>M</b> <sup>(10)</sup>	EUR	EUR 25,000,000	CG	0.50%	2.00%	0.25%	n/a
	<b>P</b>	EUR	EUR 200,000	CG	3.00%	2.00%	0.65%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9) (12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a
<b>T</b> <sup>(9) (12)</sup>	CHF	n/a	CG	n/a	2.00%	0.25%	n/a	
<b>W</b> <sup>(8) (10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a	

Subfund (reference currency)	Unit Class	Currency	Minimum Holding	Unit Type <sup>(2)</sup>	Maximum Sales Charge	Maximum Adjustment of the Net Asset Value <sup>(5)</sup>	Maximum Management Fee (p.a.) <sup>(3)</sup>	Performance Fee
Credit Suisse Bond Fund (Lux) <b>TOPS (Sfr)</b> <b>(CHF)</b>	<b>A</b>	CHF	n/a	D	5.00%	2.00%	1.00%	n/a
	<b>B</b>	CHF	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>D</b> <sup>(4)</sup>	CHF	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	CHF	n/a	CG	n/a	2.00%	0.20%	n/a
	<b>I</b>	CHF	CHF 3,000,000	CG	3.00%	2.00%	0.50%	n/a
	<b>M</b> <sup>(10)</sup>	CHF	CHF 25,000,000	CG	0.50%	2.00%	0.25%	n/a
	<b>P</b>	CHF	CHF 200,000	CG	3.00%	2.00%	0.65%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9) (12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
<b>T</b> <sup>(9) (12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a	
<b>W</b> <sup>(8) (10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a	
Credit Suisse Bond Fund (Lux) <b>TOPS (US\$)</b> <b>(USD)</b>	<b>A</b>	USD	n/a	D	5.00%	2.00%	1.00%	n/a
	<b>B</b>	USD	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>D</b> <sup>(4)</sup>	USD	10 Units	CG	n/a	2.00%	n/a <sup>(6)</sup>	n/a
	<b>F</b> <sup>(12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a
	<b>I</b>	USD	USD 3,000,000	CG	3.00%	2.00%	0.50%	n/a
	<b>M</b> <sup>(10)</sup>	USD	USD 25,000,000	CG	0.50%	2.00%	0.25%	n/a
	<b>P</b>	USD	USD 200,000	CG	3.00%	2.00%	0.65%	n/a
	<b>R</b> <sup>(8)</sup>	<sup>(8)</sup>	n/a	CG	5.00%	2.00%	1.00%	n/a
	<b>S</b> <sup>(8)</sup>	<sup>(8)</sup>	3,000,000 <sup>(8)</sup>	CG	3.00%	2.00%	0.60%	n/a
	<b>T</b> <sup>(9) (12)</sup>	EUR	n/a	CG	n/a	2.00%	0.25%	n/a
<b>T</b> <sup>(9) (12)</sup>	USD	n/a	CG	n/a	2.00%	0.25%	n/a	
<b>W</b> <sup>(8) (10)</sup>	<sup>(8)</sup>	25,000,000 <sup>(8)</sup>	CG	0.50%	2.00%	0.30%	n/a	

- (1) This Summary of Unit Classes should not be relied upon as a substitute for reading the Prospectus.
- (2) CG = capital growth / D = distribution
- (3) The actual management fee charged shall be disclosed in the respective annual or semi-annual report.
- (4) Units of classes ("Classes") D and DP may only be acquired by those investors who have concluded a discretionary asset management agreement with a business unit of Credit Suisse Asset Management Division. Furthermore, subject to the prior consent of the Management Company, classes ("Classes") D and DP Units may also be acquired by institutional investors who have concluded an advisory agreement with a business unit of Credit Suisse Asset Management Division.
- (5) 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".
- (6) Class D and DP Units are not subject to a management fee but only to a service fee, payable to the Central Administration, of at least 0.03% p.a. but not more than 0.10% p.a.
- (7) Class DP Units are not subject to a management fee but only to a service fee, payable to the central administration, of at least 0.03% p.a. but not more than 0.10% p.a., and a performance fee, payable to the Management Company.
- (8) Currently Class R, S and W Units may be issued in: CHF, EUR, GBP, USD, PLN, CZK and HUF. The Management Company may decide on the issue of Class R, S and W Units in any additional freely convertible currencies as well as on their initial offering price at any time. Unitholders have to check with the agents mentioned in Chapter 13 "Information to Unitholders" Management Company, Paying Agents, Information Agents and Distributors), if Units of Class R, S or W have been issued in additional currencies in the meantime before submitting a purchase application. With Unit Class R, S and W, the risk of an overall depreciation of the Subfund's Reference Currency against the alternate currency of the Unit Class is reduced significantly by hedging the Net Asset Value of the respective Unit Class R, S or W – calculated in the Subfund's reference currency – against the respective alternate currency to the currency of Unit Class R, S or W by means of forward foreign exchange transactions. The net asset value of the Units of this Alternate Currency Class does not develop in the same way as that of the Unit Classes issued in the reference currency.
- (9) With Unit Class T the risk of an overall depreciation of the Subfund's Reference Currency against the alternate currency of the Unit Class is reduced significantly by hedging the Net Asset Value of the respective Unit Class T – calculated in the Subfund's reference currency – against the respective alternate currency to the currency of Unit Class T by means of forward foreign exchange transactions. The net asset value of the Units of this Alternate Currency Class does not develop in the same way as that of the Unit Classes issued in the Reference Currency.
- (10) Class M and W Units may only be acquired by institutional investors.
- (11) Units in Class N may only be acquired by fund of funds type undertakings for collective investment which are in the form of unit trusts or corporate type funds if they are distributed primarily in Japan.
- (12) Units of Class F and T may only be acquired by investors who have concluded a discretionary asset management agreement with a business unit of Credit Suisse AG.
- (13) The performance fee is set out in Chapter 21, "Subfunds".

### 3. The Fund

Credit Suisse Bond 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 December 17, 2010 on undertakings for collective investment ("Law of December 17, 2010") transposing Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

Credit Suisse Bond Fund (Lux) was originally established under the name CS Bond Fund. The change in the fund's name to Credit Suisse Bond Fund (Lux) came into effect from September 1, 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 ("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 September 14, 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 Trade and Companies Register of Luxembourg (Registre de Commerce et des Sociétés). The amendments to the Management Regulations were last published in a note of deposit in the Mémorial, Recueil des Sociétés et Associations ("Mémorial") of December 30, 2011. The Management Regulations are filed in their consolidated, legally binding form for public reference with the Trade and Companies Register.

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 various subfunds (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 Chapter 5, "Investment in Credit Suisse Bond Fund (Lux)", and 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, as well as the currency in which the Net Asset Value of the corresponding Units of a Subfund is expressed, is also provided for 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 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 December 17, 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 December 17, 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".

#### Liquid Assets

The Subfunds may hold ancillary liquid assets in the form of sight and time deposits with first-class financial institutions and money market instruments which do not qualify as transferable securities and have a term to maturity not exceeding 12 months, in any convertible currency. Moreover, each Subfund may, on an ancillary basis, hold units/shares in undertakings for collective investment in transferable securities which are subject to Directive 2009/65/EC and which in turn invest in short-term time deposits and money market instruments and whose returns are comparable with those for direct investments in time deposits and money market instruments. These investments, together with any investments in other undertakings for collective investment in transferable securities and/or other undertakings for collective investment, must not exceed 10% of the total net assets of a Subfund.

#### Securities Lending and Repurchase Agreements

Subject to the investment restrictions set out below, a Subfund may from time to time enter into securities lending transactions and repurchase agreements.

#### Convertible and Warrant Bonds

All Subfunds may invest up to 25% of their total assets in convertible bonds, convertible notes and warrant bonds, unless specified otherwise in their investment policy.

#### Use of Derivatives

In addition to direct investments, all Subfunds may conduct futures and options as well as swap transactions (interest-rate swaps, total return swaps) for the purpose of hedging, the efficient management of the portfolio and implementing its investment strategy, provided due account is taken of the investment restrictions set out in the Prospectus.

Furthermore, the Subfunds may actively manage their currency exposure through the use of currency futures and swap transactions.

#### Techniques and Instruments for Managing Credit Risk

Subject to the investment restrictions set out below, the Management Company may use securities (credit linked notes) as well as techniques and instruments (credit default swaps) for the purpose of managing the credit risk of each Subfund.

#### Equities

By exercising conversion and subscription rights or options and warrants held separately from warrant bonds, up to 10% of the respective total assets of a Subfund may be invested on a temporary basis in shares, other equity interests, dividend right certificates and similar securities with equity features.

#### Cross-investments between Subfunds of the Fund

The Subfunds of the Fund may, subject to the conditions provided for in the Law of December 17, 2010, in particular Article 41, subscribe, acquire and/or hold securities to be issued or issued by one or more Subfunds of the Fund under the following conditions:

- the target Subfund does not, in turn, invest in the Subfund invested in this target Subfund; and
- no more than 10% of the assets of the target Subfund whose acquisition is contemplated may be invested in aggregate in units of other target Subfunds of the Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Subfund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of December 17, 2010; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Subfund of the Fund having invested in the target Subfund, and this target Subfund.

**Since the assets of each Subfund are subject to normal price fluctuations, no guarantee can be given that all Subfunds will achieve their investment objective.**

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

### i. General Information on the Units

Each Subfund may issue Units of Classes A, B, D, DP F, I, M, P, N, R S, T or W. The Unit Classes which are issued within each Subfund, together with the related fees and sales charges as well as the Reference Currency are set out in Chapter 2, "Summary of Unit Classes". A redemption fee will not be charged.

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".

All Unit Classes are only available in uncertificated form and will exist exclusively as book entries.

Unitholders are not entitled to demand delivery of a unit certificate. If a unitholder already has units in certified form, these must be returned on redemption at the latest. In the event of an exchange of units, such certificates must be uncertificated and held in book form thereafter.

The Units which make up each such Class of Units will either be capital-growth Units or distribution Units.

### Capital-growth Units

Classes B, D, DP, F, I, M, P, R S, T or W are capital-growth Units. Details of the characteristics of capital-growth Units are included in Chapter 11, "Appropriation of Net Income and Capital Gains".

### Distribution Units

Class A and N Units are distribution Units. Details of the characteristics of distribution Units are included in Chapter 11, "Appropriation of Net Income and Capital Gains".

### Unit Classes dedicated to a specific type of Investor

Units in Class D and DP may only be acquired by investors who have concluded a discretionary asset management agreement with a business unit of Credit Suisse Asset Management Division. Furthermore, subject to the prior consent of the Management Company, Class D and DP Units may also be purchased by institutional investors (as per Article 174 (2) c) of the Law of December 17, 2010) who have concluded an advisory agreement with a business unit of Credit Suisse Asset Management Division.

Where such a discretionary asset management agreement or advisory agreement has been terminated, Class D and DP Units held by the Unitholder at that time may either be compulsorily redeemed or, according to the request of the Unitholder, converted into another Unit Class in accordance with the investor's directions. Moreover, Class D and DP Units are not transferable without the approval of the Management Company. Class D and DP Units shall not be subject to a management fee or a sales charge but only a service fee payable to the central administration ("Central Administration"), as specified in Chapter 2, "Summary of Unit Classes". Class DP Units are subject to a performance fee to be paid to the Management Company.

Class F and T Units may only be acquired by investors who have concluded a discretionary asset management agreement with a business

unit of Credit Suisse AG. Where such a discretionary asset management agreement has been terminated, Class F and T Units held by the Unitholder at that time may either be compulsorily redeemed or, according to the request of the Unitholder, converted into another Unit Class. Moreover, Class F and T Units are not transferable without the approval of the Management Company. Class F and T Units shall not be subject to a sales charge and benefit from a reduced management fee as specified in Chapter 2 "Summary of Unit Classes". Class M and W Units may only be acquired by institutional investors (as per Article 174 (2) c) of the Law of December 17, 2010).

Subscriptions of Class M and W Units are subject to initial minimum investment and holding requirements. Class M and W Units benefit from a reduced management fee and, if applicable, no sales charges will be applied as set out in Chapter 2, "Summary of Unit Classes".

Units in Class N may only be acquired by fund of funds type undertakings for collective investment which are in the form of unit trusts or corporate type funds if they are distributed primarily in Japan.

### Minimum Holding

Class D, DP, I, M, P, S and W Units are subject to the initial minimum investment and holding requirements and benefit from a reduced management fee and sales charge as set out in Chapter 2, "Summary of Unit Classes".

### Hedged Unit Classes

Depending on the Subfund, Classes R, S, T and W Units are issued in one or more alternate currencies, as set out in Chapter 2, "Summary of Unit Classes". In order to reduce the risk of an overall depreciation of the Subfund's Reference Currency against the alternate currency of the Unit Classes R, S, T and W, the Net Asset Value of the respective Unit Class R, S, T and W as calculated in the Subfund's Reference Currency, will be hedged against the respective alternate currency to the currency of Unit Class R, S, T and W through the use of forward foreign exchange transactions. However, no assurance can be given that the hedging objective will be achieved.

Class R Units are subject to the management fee and sales charges set out in Chapter 2, "Summary of Unit Classes".

Subscriptions to Class S and W Units are subject to the minimum holding requirement as set out in Chapter 2, "Summary of Unit Classes".

Consequently, the currency risk of the investment currencies (except for the Reference Currency) versus the alternate currency will not be hedged or will only be partially hedged.

The Net Asset Value of the Units of the alternate currency Classes does not develop in the same way as that of the Unit Classes issued in the Reference Currency.

### Issue Price

Unless otherwise determined by the Management Company, the initial issue price of Unit Classes A, B and R amounts to EUR 100, CHF 100, USD 100, RON 100, PLN 100, GBP 100, CZK 1000 and/or HUF 10,000, and of Unit Classes D, DP, F, I, M, N, P, S, T, W to EUR 1000, CHF 1000, USD 1000 and/or GBP 1000, depending on the currency denomination of the Unit Class in the respective Subfund and its characteristics.

After the initial offering, Units may be subscribed at the applicable Net Asset Value.

The Management Company may, at any time, decide on the issue of Unit Classes in any additional freely convertible currencies at an initial issue price to be determined by the Management Company.

Except in case of alternate currency Unit Classes, Unit Classes shall be denominated in the Reference Currency of the Subfund to which they relate (as specified in Chapter 21, "Subfunds" and Chapter 2, "Summary of Unit Classes").

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 the receipt is determined 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 which may be denominated in a currency other than the Subfund's Reference Currency ("Alternate Currency Class"). The issue of each further or Alternate Currency Class is published 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 limit the effect of price fluctuations in this alternate currency.

However, no assurance can be given that the hedging objective will be achieved.

The Net Asset Value of the Units of the Alternate Currency Classes does not develop in the same way as that of the Unit Classes issued in the Reference 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, except for Class F, D, DP, M and P Units, with an institution 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 the Units in the interest of the Unitholders.

## ii. Subscription of Units

Unless stated otherwise 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 stated otherwise 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").

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 3 p.m. (Central European Time).

Subscription applications received after 3 p.m. on a Banking Day shall be deemed to have been received prior to 3 p.m. on the following Banking Day.

Unless stated otherwise 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.

The Management Company may in the interest of the Unitholders accept transferable securities and other assets permitted by Part I of the Law of December 17, 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 subscription 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.

Subscriptions and redemptions 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 or regions 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 immediately following such Banking Day, less any redemption charge, if applicable. For this purpose, redemption applications must be submitted to the Central Administration or the 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 3 p.m. (Central European Time) on a Banking Day. Redemption applications received after 3 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.

Class D and DP Units may only be purchased by investors who have signed a discretionary asset management agreement or advisory agreement with a business unit of a Credit Suisse Asset Management Division. Where such a discretionary asset management agreement or advisory agreement has been terminated, Class D and DP Units held by the Unitholder at that time may either be compulsorily redeemed or, according to the request of the Unitholder, converted into another Unit Class.

Class F Units may only be purchased by investors who have concluded a discretionary asset management agreement with a business unit of Credit Suisse AG. Where such a discretionary asset management agreement has been terminated, Class F Units held by the Unitholder at that time may either be compulsorily redeemed or, according to the request of the Unitholder, converted into another Unit Class.

Unless otherwise specified in Chapter 21 "Subfunds", 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 3 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 Unit 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 Unitholders 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 3 p.m. (Central European Time) on a Banking Day. Conversion applications received after 3 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 3 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 fee 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:

- cannot be valued because a stock exchange or market is closed on a day other than a usual public holiday, or when trading on such stock exchange or market is restricted or suspended; or
- 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 Unitholders; or
- cannot be valued because disruption to the communications network or any other reason makes valuation impossible; or
- 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 board of directors of the Management Company (the "Board of Directors"), 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 subscriber and beneficial owner as follows:

- 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;
- 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 shares issued by a company are not sufficiently broadly distributed among the general public) shareholders must then observe the disclosure requirements set out 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 must 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 Distributor. Furthermore, the Distributors shall comply with all current, local regulations intended to prevent 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 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 authorized 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 December 17, 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 securitization 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 specified otherwise in Chapter 21 "Subfunds", each Subfund may for the purpose of (i) hedging, and/or (ii) efficient portfolio management, and/or (iii) implementing its investment strategy, and subject to the provisions set out below engage in foreign exchange transactions and/or use financial derivative

instruments and/or techniques based on transferable securities, money market instruments or forward contracts on stock exchange indices within the meaning of Part I of the Law of December 17, 2010.

- a) In this regard, each Subfund may acquire call and put options on securities, stock exchange indices and other permitted financial instruments.
- b) Moreover, each Subfund may sell call options on stock exchange indices and other permitted financial instruments if (i) it holds either the underlying securities, matching call options or other instruments which provide sufficient hedging for the commitments arising from these contracts or (ii) such transactions are hedged by matching contracts or similar instruments or (iii) if the liquidity of the underlying instruments is such that the open positions arising therefrom can be covered at any time.
- c) In case of sale of put options on securities, stock exchange indices or other permitted financial instruments, an equivalent value to the commitment taken must be covered for the entire duration of the contract by liquid assets, money market instruments or short-term debt securities with a residual term to maturity of maximum 12 months for the entire duration of the contract.
- d) In order to hedge the risk of unfavorable price movements or for other purposes, each Subfund may buy and sell futures on stock exchange indices or any other types of financial instruments.
- e) In order to manage interest rate risks, each Subfund may buy and sell interest rate futures as well as interest rate options or call and put options provided that the commitments entered into do not exceed the value of the securities held in this currency.
- f) In addition to the aforementioned transactions, and subject to the conditions and restrictions specified in the present section 3, each Subfund may, for the purpose of efficient portfolio management, buy and sell futures and options (which may have all financial instruments as underlying) and enter into swap transactions (interest rate swaps and combined interest rate/currency swaps as well as total return swaps). The counterparty to these transactions must be a first-class financial institution which is specialized in this type of transactions. The overall risk associated with the swap transactions must not exceed the total net assets of the relevant Subfund.

Furthermore, in the case of OTC transactions (e.g. total return swaps or share basket forwards), the overall risk of default in relation to the same counterparty must not exceed 10% of the assets of a Subfund. The counterparties to such transactions must have sufficient liquidity to meet their obligations at market conditions at any time. The instruments underlying the OTC transactions must comply with Art. 41 (1) of the Law of December 17, 2010.

- g) For the purpose of managing credit risks, the Management Company may also conclude credit default swaps (CDS), provided that the counterparty is a first-class financial institution specialized in this type of transaction. In such transactions, both the contracting partner and the underlying borrower/s are at all times subject to the investment principles set out in section 4 below. CDS may also be used for purposes other than hedging.

Unless stipulated otherwise in Chapter 4, "Investment Principles", and provided the total risk of the derivatives does not exceed 100% of the respective Subfund's total net assets) the Subfunds may enter into credit default swaps (CDS) not serving the purpose of hedging for up to 100% of their total net assets, though the commitments arising from the protection-buying and protection-providing positions may not in total exceed the net assets of the respective Subfunds.

- h) For each Subfund the Management Company may also use credit linked notes ("CLN") for the purpose of managing credit risk, provided such securities are issued by first-class financial institutions and are securities within the meaning of Article 41

of the Law of December 17, 2010 and correspond at any time to the investment principles set out in section 4) below.

- i) In order to hedge currency risks and to gear its assets to one or several other currencies that conform to the investment policy, each Subfund may sell and buy currency futures, call options on currencies, put options on currencies and currency forwards or engage in currency swap transactions with first-class financial institutions specialized in this type of transaction. In case of hedging transactions, there must be a direct link between the transactions and the assets to be hedged; i.e. the volume of the above-mentioned transactions in any particular currency may not exceed the total net assets of the Subfund denominated in that currency, nor may the duration of such transactions exceed the period for which the assets are held by a Subfund. Furthermore, the Subfund may hedge another currency (exposure currency) against the Reference Currency: in the place of the exposure currency, the Subfund may sell another currency closely connected with said currency, providing that the two currencies are highly likely to develop in the same way.

Each Subfund may also sell a currency in which it has exposure and in return acquire more of another currency in which exposure can also be created, provided that such hedge transactions are an efficient instrument for achieving the desired currency and investment exposure.

Unless otherwise specified in Chapter 21 "Subfunds", the forward currency exposure sold by a Subfund may not exceed the exposure of the underlying investments; this applies both to an individual currency and to the overall currency exposure.

The global exposure related to the use of financial derivatives 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 embeds 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 December 17, 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, CSSF) 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 or money market

instruments of those issuers in which the Subfund has invested more than 5% of its total net assets may not exceed 40% of its 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 in an OTC derivative transaction may not exceed the following percentages:

- 10% of the total net assets if the counterparty is a credit institution referred to in Chapter 6 "Investment Restrictions", section 1) paragraph f), or
  - 5% of the 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 section 4) paragraph 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,
  - deposits made with that body or
  - exposures arising from OTC derivative 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 transferable 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, by any other state which is a member of the Organization for Economic Cooperation and Development ("OECD"), by Brazil or Singapore or by a 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.
6. To ensure efficient portfolio management, each Subfund may, in compliance with the provisions of the CSSF Circular 08/356, purchase or sell securities in the context of securities repurchase transactions.
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 instruments of the same issuer,
  - 25% of the units/shares of one and the same UCITS or other UCI,
  - 10% of the money market instruments of any single issuer.
- In the last three cases, the restriction shall not apply if the gross amount of bonds or money market instruments, or the net amount of the instruments in issue cannot be calculated 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 the Fund in the capital of a company which is incorporated in a non-Member State of the European Union and which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits 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, each Subfund may, in accordance with the 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 in 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, not 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 regulation.

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 interests of the Unitholders, if for example such restrictions are necessary to comply with legislation 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 favorably or unfavorably.

Currencies of certain countries may be volatile and therefore 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 successful.

Although it is the policy of the Fund to hedge the currency exposure of Subfunds against their respective Reference Currencies, hedging transactions may not always be possible and currency risks cannot therefore be excluded.

### 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 an 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 the 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 the Subfunds may therefore 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 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.

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.

#### **Use of Derivatives**

While the use of financial derivative instruments can be beneficial, financial derivative instruments 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 illiquid Assets**

The Fund may invest up to 10% of the total net assets of each Subfund in transferable securities or money market instruments 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 unfavorable 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 re-deemed 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.

#### **Hedged Unit Class Risk**

The hedging strategy applied to hedged Unit Classes may vary from one Subfund to another. Each Subfund will apply a hedging strategy which aims to reduce currency risk between the Reference Currency of the respective Subfund and the nominal currency of the hedged Unit Class while taking various practical considerations into account. The hedging strategy aims to reduce, however may not totally eliminate, currency exposure.

Investors should note that there is no segregation of liabilities between the individual Unit Classes with a Subfund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged Unit Class could result in liabilities affecting the Net Asset Value of the other Unit Classes of the same Subfund. In such case assets of other

Unit Classes of such Subfund may be used to cover the liabilities incurred by the hedged Unit Class.

### Clearing and Settlement Procedures

Different markets also have different clearing and settlement procedures. Delays in settlement may result in a portion of the assets of a Subfund remaining temporarily 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. The 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 and regulations of some countries may restrict the Fund's ability to invest in securities of certain issuers located in those countries.

### Concentration on certain Countries/Regions

Where a Subfund restricts itself to investing in securities of issuers located in a particular country or group of countries, such concentration will expose the Subfund to the risk of adverse social, political or economic events which may occur in that country or group of countries. The risk increases if the country in question is an emerging market. Investments in such 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 unfavorably 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. Also, there might be restrictions on the repatriation of the capital invested.

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 organized 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.

It must also be borne in mind that companies are selected regardless of their market capitalization (micro, small, mid, large caps), sector or geographical location. This may lead to a concentration in geographical or sector terms.

Subscriptions in the relevant Subfunds are thus only suitable for investors who are fully aware of, and able to bear, the risks related to this type of investment.

### Investments in Russia

Custodial and registration risk in Russia

- Individual Subfunds may, in accordance with their investment policy, invest in securities which require the use of depository and/or custodial services in Russia. Currently, evidence of legal title to securities is maintained in book-entry form in Russia.
- The significance of the register is crucial to the custodial and registration process. Registrars are not subject to effective government supervision and it is possible for the Subfund to lose its registration through fraud, negligence or mere oversight. Furthermore, while companies with more than 1,000 shareholders are required under Russian law to maintain independent registrars that meet certain statutory criteria, in practice this regulation has not been strictly enforced. Because of this lack of independence, the management of a company can potentially exert significant influence over the make-up of that company's shareholder base.
- Distortion or destruction of the register could substantially impair, or in certain cases even eradicate, the Subfund's holdings of the relevant company's securities. Although the Custodian Bank has made arrangements for any appointed registrars to be adequately monitored by a specialized service provider in Russia, neither the Subfund, the Investment Adviser, the Custodian Bank, the Management Company, the Board of Directors nor any of their agents can make any representation or warranty about, or any guarantee of, the registrars' actions or performance. Such risk will be borne by the Subfund.

At the present time, Russian law does not provide for the concept of the "good faith purchaser" as is commonly provided for in Western jurisprudence. Under Russian law, a purchaser of securities (other than cash and bearer instruments) therefore accepts such securities subject to any flaws in title and ownership that may have existed with regard to the seller thereof or any such seller's predecessors in title. The Russian Federal Commission on Securities and Capital Markets is currently drafting legislation to provide for the concept of a good faith purchaser. There is no guarantee, however, that such legislation will retroactively apply to any prior purchases of securities by the Subfund. At the present time, it is therefore possible that a Subfund's ownership of shares could be challenged by a prior owner from whom the shares were acquired, in which case the value of the Subfund's assets would be impaired.

### 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 realized 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. Unless otherwise specified in Chapter 21 "Subfunds", the assets of each Subfund shall be valued as follows:

- a) Securities which are listed on a stock exchange or which are regularly traded on a stock exchange shall be valued at the last available traded price. If such a price is not available for a particular trading day, but a closing mid-price (the mean of the closing bid and ask prices) or a closing bid price is available, the closing mid-price, 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 investment, based on the net acquisition price, shall be progressively adjusted to the redemption price whilst keeping the resulting investment return 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) However, securities with a maturity or residual maturity of less than six months may be valued as follows: the valuation price of an investment, based on the net acquisition price (or the price at the time when the term to maturity falls below six months), shall be progressively adjusted to the redemption price while keeping the resulting investment return constant. In the event of a significant change in market conditions, the basis for the valuation of individual investments shall be brought into line with the new market yields.
- i) 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.

- j) 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 which is currently used unless otherwise specified in Chapter 21 "Subfunds".

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 aims 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.

The Net Asset Value may be adjusted on every Valuation Day on a net deal basis. The Board of Directors can set a threshold (net capital flows that needs to be exceeded) to apply the adjustment to the Net Asset Value. Unitholders should note that the performance calculated on the basis of the adjusted 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.

Unless otherwise specified in Chapter 21 "Subfunds", 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. In the case of Class D, DP, M and N Units, this tax is, by way of exception, only 0.01% p.a. The Net Asset Value of each Subfund at the end of each quarter is taken as the basis for calculation.

The Fund's income is not taxable in Luxembourg.

With the entry into force of the Luxembourg Law of June 21, 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 July 1, 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 rate at which such interest is taxable is 35%. 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 June 21, 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, if necessary, consult their investment adviser.

## ii. Expenses

Apart from the above "taxe d'abonnement", the Fund shall bear the costs specified below, unless otherwise specified 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 fee 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 the pre-determined percentage amount although in certain cases the Custodian Bank's own fees for executing securities transactions in connection with the portfolio of the individual Subfunds will be charged up to an annual rate of 0.25%, based on the average daily net asset value of the respective Subfund 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 notifications 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.

## iii. Performance Fee

In addition to the aforementioned costs, the Fund will, if applicable, also bear a performance fee ("Performance Fee") as specified for the relevant Subfund in Chapter 21, "Subfunds".

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 ends on September 30 of each year.

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

At present, no distribution is envisaged for the capital-growth Units Classes (Classes B, D, DP, F, I, M, P, R, S, T and W) 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 realized capital gains as well as all non-recurring income, after deduction of realized capital losses.

## Distribution Units

It is currently anticipated that the only distribution Units shall be Class A and N 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 Unitholders. 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 of the close of each accounting year.

In the case of Class N Units, the Management Company will determine a quarterly distribution which may be based on a fixed quota. The Management Company intends to effect the distributions within five working days after the end of the relevant quarter.

**General Information**

Payment of income distributions shall be made in the manner described in Chapter 5, "Redemption of Units" and Chapter 21 "Subfunds", if applicable. 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, unless otherwise specified in Chapter 21 "Subfunds". 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. In such an event, having regard to the interests of Unitholders, the Management Company may elect to distribute either cash and/or the other assets 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 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 Consignations" in Luxembourg until the statutory period of limitation has elapsed.

Furthermore, the Management Company may in accordance with the definitions and conditions set out in the Law of December 17, 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 December 17, 2010.

Furthermore, a Subfund may as a receiving Subfund be subject to mergers with another UCI or Subfund thereof, on a domestic or cross-border basis.

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, Key Investor Information Documents, the latest annual and semi-annual reports and copies of the Management Regulations free of charge from the registered office of the Management Company and on the Internet at [www.credit-suisse.com](http://www.credit-suisse.com). 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 December 17, 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 have since that time been amended several times. The legally binding version is deposited at the Trade and Companies Register of Luxembourg. The latest amendment of the Articles of Incorporation was published on February 23, 2006 in the *"Mémorial"*. The Management Company is registered at the Trade and Companies Register of Luxembourg 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 Management Company and shall cause and undertake all such actions and provisions which are necessary in pursuit of the Management 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 Luxembourg 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.

The Investment Adviser/s for the respective Subfunds are indicated in Chapter 21, "Subfunds". The Management Company may, at any time, appoint an Investment Adviser other than the one/s named in Chapter 21, "Subfunds", or may terminate the relation with any of the Investment Adviser/s.

The Investment Adviser operates in an exclusively advisory capacity. All investment decisions are taken by the Management Company. The Investment Adviser is, 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 December 17, 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 December 17, 2010 and the Management Regulations. The Custodian Bank must also ensure that the value of Units is calculated in accordance with the Law of December 17, 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 may act as counterparty and as calculation agent in respect of financial derivative contracts entered into by the Company. Investors should be aware that to the extent the Company trades with the Affiliated Person as dedicated counterparty, the Affiliated Person will make a profit from the price of the financial derivative contract which may not be the best price available in the market, irrespective of the Best Execution principles, as stated further below.

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 organizational 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-neutralized 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)).

### Investor Rights

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Fund, if the investor is registered itself and in its own name in the registered account kept for the Fund and its Unitholders by the Fund's Central Administration or in case of Units represented by bearer certificates upon presentation by the investor of the bearer certificates. In cases where an investor invests in the Fund through an intermediary investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain of its rights directly against the Fund. Investors are advised to take advice on their rights.

**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).

**Investor rights**

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Fund, if the investor is registered itself and in its own name in the registered account kept for the Fund and its Unitholders by the Fund's Central Administration. In cases where an investor invests in the Fund through an intermediary investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain of its rights directly against the Fund. Investors are advised to take advice on their rights.

**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 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**

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

**Independent Auditor**

PricewaterhouseCoopers S.à r.l., 400, route d'Esch,  
L-1014 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**

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

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 Shares exclusively with a professional treasury unit, and distribution partners that place the Shares 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 which may be publicly distributed in Germany, 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 channeled, 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 and redemption 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", Frankfurt am Main, as a minimum. The Management Company may also place announcements in other newspapers and periodicals of its choice. Moreover, registered investors will be notified by way of permanent data media in the following instances: suspension of the redemption of Units; liquidation of the Fund or a Subfund; changes to the Management Regulations that are inconsistent with the existing investment principles, affect significant investor rights, or relate to remuneration or compensation of expenses (stating the background and the investors' rights), the merger of a Subfund or the possible conversion of a Subfund into a feeder fund.

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 channeled at their 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.

Hard copies 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.

The Net Asset Value is published daily on the Internet at [www.credit-suisse.com](http://www.credit-suisse.com) and may also be published in various newspapers.

Any required notices to Unitholders 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, Herrengasse 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 are 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 Bond Fund (Lux) Brazil

#### Investment Objective and Investment Policy

The objective of this Subfund is to generate a high, regular income and above-average return.

At least two-thirds of the Subfund's total assets shall be invested in debt instruments, bonds, notes, similar fixed-interest or floating-rate securities (including securities issued on a discount basis) of issuers which are domiciled in Brazil or which carry out the majority of their economic activities in Brazil or issue instruments that involve credit exposure in respect of Brazil. There are no restrictions on the investment universe in terms of the issuers' credit ratings.

In addition, the Subfund may invest up to one third of its total assets in (i) debt instruments, bonds, notes, similar fixed-interest or floating-rate securities (including securities issued on a discount basis) of issuers domiciled in any other country as well as in (ii) money market instruments of issuers worldwide.

For the purpose of duration and credit management, the Subfund may make greater use of interest-rate futures and credit derivatives, subject to the investment restrictions set out in Chapter 6, "Investment Restrictions", section 3).

The Subfund shall invest primarily in instruments denominated in the Brazilian Real. Correspondingly, any fluctuation in the exchange rate for this currency in relation to the US Dollar will affect the Net Asset Value of the Subfund.

**In accordance with section 4 f) of Chapter 6, "Investment Restrictions", the Subfund may invest up to 100% of its net assets in transferable securities and money market instruments issued or guaranteed by Brazil. The transferable securities and money market instruments held by the Subfund shall originate from at least six different issues whereby any one issue may not exceed 30% of the Subfund's net assets.**

#### Global Exposure

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

#### Specific Risk Information

Since this Subfund may invest in debt instruments in the non-investment grade sector, the underlying debt instruments may present a greater risk in terms of downgrading or may exhibit a greater default risk than debt instruments of first-class issuers. The higher return should be viewed as compensation for the greater degree of risk attached to the underlying debt instruments and the Subfunds' higher volatility.

Prospective investors are urged to consider the risk information provided in Chapter 7, "Risk Factors" in particular – "Investments in Emerging Markets".

Furthermore, prospective investors should note that – owing to local market conventions – the timing of the payment flows arising from certain securities transactions may vary such that the investor may not benefit from the potential price gains.

#### Profile of the Typical Investor

This Subfund is suitable for investors with high risk tolerance and risk capacity who would like to participate in a broadly diversified bond portfolio so that they can exploit the major opportunities inherent in the Brazilian markets and achieve a level of returns that can only be attained through bonds in the non-investment grade sector.

#### Investment Adviser

The Management Company has appointed Aberdeen International Fund Managers Limited, Rm 2604-06, 26/F Alexandra House, 18 Chater Road, Central, Hong Kong (Aberdeen International Fund Managers Limited is regulated by the Securities and Futures Commission (SFC), Hong Kong) as Investment Adviser to assist with the management of the Subfund. Aberdeen Asset Managers Limited, 10 Queen's Terrace, Aberdeen, AB10 1YG, United Kingdom (Aberdeen Asset Managers Limited is regulated by the Financial Services Authority of the United Kingdom ("FSA")) has been appointed as Investment Sub-Adviser to assist it in the management of the Subfund.

#### Adjustment of the Net Asset Value

The Net Asset Value per Unit will be increased by 6% of the Net Asset Value if, on a particular Valuation Day, the net subscription applications (i.e. subscription applications minus redemption applications) for the Subfund exceed the value of USD 200,000. This increase in the Net Asset Value is intended to cover the tax charges incurred by the Subfund on the purchase of Brazilian securities. Should there be any change in the currently applicable tax rate, the Board of Directors will adjust the amount required to be added to the Net Asset Value accordingly. If, on a Valuation Day, the net subscription applications do not exceed the above-mentioned threshold or in the event of net redemption applications, the Net Asset Value will not be adjusted. The adjustment of the Net Asset Value will be waived altogether in the future if purchases of Brazilian securities no longer incur tax charges.

## Credit Suisse Bond Fund (Lux) High Yield US\$

### Investment Objective and Investment Policy

The objective of this Subfund is to generate the highest possible return. At least two-thirds of the Subfund's total assets shall be invested in debt instruments, bonds, notes, similar fixed-interest or floating-rate securities (including securities issued on a discount basis) of corporate issuers in the non-investment grade sector, denominated in the respective Reference Currency.

Up to one-third of the total assets of the Subfund may be invested in currencies other than the Reference Currency.

### Global Exposure

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

### Specific Risk Information

Income from securities in the non-investment grade sector is higher than that earned from first-class issuers. However, the risk of losses is also greater. The higher income should be regarded as compensation for the fact that investments in this segment involve a greater risk of losses.

The Subfund is more dynamic than other bond funds and has greater opportunities for growth. However, a drop in price is possible at any time.

### Profile of the Typical Investor

This Subfund is suitable for investors with a long-term, risk-tolerant outlook who would like to participate in a broadly diversified bond portfolio in order to benefit from the potential offered by the high-yield capital market, thereby achieving higher returns (in the respective Reference Currency) than would normally be generated by conventional bond investments. Though the risks are lessened by a broad investment spread across many issuers and several sectors, exposure to the high-yield segment requires a greater degree of risk capacity.

### Performance Fee

In addition to the Management Fee, the Management Company is entitled to a fee linked to the performance of the Unit Class DP of Credit Suisse Bond Fund (Lux) High Yield US\$ ("Performance Fee") in the Reference Currency, which is calculated on the basis of the unswung Net Asset Value of the Unit Class DP.

The Performance Fee shall be payable for each reference period ("Reference Period"). Unless otherwise agreed between the parties, the initial Reference Period shall be the first period which begins on the date on which the Unit Class DP is launched, and ends on the last day of that Accounting Year. Thereafter each subsequent Reference Period shall correspond to an Accounting Year. The Performance Fee will be payable within one month after the end of the respective Reference Period.

The Performance Fee shall be calculated and accrue daily as follows:

$$(0.20 \times (RM - RI) \times TNAV) / P$$

RM shall be equal to the percentage return on the unswung Net Asset Value per Unit DP (before Performance Fee) on the relevant day;

(i) RI shall be equal to the percentage return on the Benchmark on the relevant day;

(ii) TNAV shall be equal to the total Net Asset Value of the Unit Class DP;

(iii) P shall be the number of days in the year.

On any particular day, the amount of Performance Fee accrued may be positive or negative. The amount of Performance Fee payable at the end of the relevant Reference Period shall be the sum of each daily Performance Fee calculation made during that Reference Period. In the event that this amount is negative, the negative amount shall be carried to the next Reference Period.

The amount of Performance Fee payable for the relevant Reference Period shall not exceed 0.50% of the average TNAV of the Unit Class during that Reference Period.

### Investment Adviser

The Management Company has appointed Credit Suisse Asset Management, LLC, 11 Madison Avenue, New York, NY 10010, USA as Investment Adviser to assist with the management for the 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.

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 Bond Fund (Lux) Inflation Linked (Euro)**  
**Credit Suisse Bond Fund (Lux) Inflation Linked (Sfr)**  
**Credit Suisse Bond Fund (Lux) Inflation Linked (US\$)**

indicated above. In such case the Management Company would inform the investors in accordance with Chapter 13, "Information for Unitholders".

**Investment Objective and Investment Policy**

The currency mentioned in the name of the Subfund is merely the Reference Currency in which the performance and Net Asset Value of the Subfund are calculated, and is not the investment currency of the Subfund. Investments may be denominated in any currency. The objective of this Subfund is to generate a regular, inflation-hedged income in the respective Reference Currency.

At least two-thirds of the Subfunds' total assets are invested worldwide in inflation-indexed debt instruments, bonds, notes, similar fixed-interest or floating-rate securities (including securities issued on a discount basis) of average or high quality (rated at least "BBB-" by Standard & Poor's or "Baa3" by Moody's, or debt instruments which exhibit similar credit quality in the view of the Management Company). In order to diversify the range of borrowers, to permit more flexible management of durations and hedge inflation risks in markets without index-linked debt securities, the inflation protection may be constructed synthetically.

A synthetically constructed inflation hedge is created by hedging inflation risk through the use of inflation swaps with first-class financial institutions which specialize in this type of transaction. By combining a nominal bond and inflation swap, a synthetic inflation-indexed debt instrument is created. Inflation swaps protect the investor against inflation risk in the same way as inflation-indexed debt instruments, specifically through the substitution of the expected rate of inflation with the actual rate.

Such transactions are effected in the currency in which the assets being hedged are denominated, unless there are insufficient hedging instruments in such currency or if they are unfavorable in terms of cost. In such cases, the Fund may also use hedging instruments in other currencies, if it is likely that these currencies and those of the assets being hedged are exposed to similar fluctuations.

**Global Exposure**

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

**Specific Risk Information**

Since these Subfunds may invest in debt instruments in the lower investment grade sector, the underlying debt instruments may present a greater risk in terms of downgrading or may exhibit a greater default risk than debt instruments of first-class issuers. The higher return should be viewed as compensation for the greater degree of risk.

The inflation hedge mechanism results in inflation-indexed debt instruments performing better than nominal bonds when inflation is higher than expected. Conversely, nominal bonds will perform better than inflation-indexed debt instruments in periods when the rate of inflation is lower than expected.

These are conservative Subfunds that can be expected to exhibit moderate but fairly steady growth. A slight drop in price over a one-year time horizon cannot be ruled out.

**Profile of the Typical Investor**

These Subfunds are suitable for investors seeking a cost-effective core investment in bonds and wishing to protect themselves against inflation risk. They allow investors to entrust the time-consuming task of selecting and monitoring securities to a team of qualified experts. These Subfunds are well suited to portfolio diversification.

**Investment Adviser**

The Management Company has appointed Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich, as Investment Adviser to assist with the management of the 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.

Under exceptional circumstances the Management Company may, in the interest of Unitholders, decide to increase the maximum swing factor

**Credit Suisse Bond Fund (Lux) Sfr****Investment Objective and Investment Policy**

The objective of the Subfund is primarily to achieve a high regular income while preserving the value of the assets. At least two-thirds of the Subfund's total assets shall be invested in debt instruments, bonds, notes, similar fixed-interest or floating-rate securities (including securities issued on a discount basis) of public, private and semi-private issuers, denominated in the respective Reference Currency of the Subfund.

Up to one-third of the total assets of the Subfund may be invested in currencies other than the Reference Currency.

**Global Exposure**

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

**Specific Risk Information**

This is a conservative Subfund that can be expected to exhibit moderate but fairly steady growth. A slight drop in price over a one-year time horizon cannot be ruled out.

**Profile of the Typical Investor**

This Subfund is suitable for investors who are seeking a core investment in bonds in the Subfund's respective Reference Currency, but who would prefer to entrust the time-consuming task of selecting and monitoring securities to a team of expert professionals, thereby investing at low cost in a capital market that is well suited to portfolio diversification.

**Investment Adviser**

The Management Company has appointed Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich, as Investment Adviser to assist with the management of the 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.

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 Bond Fund (Lux) Short-Term Sfr****Investment Objective and Investment Policy**

The objective of this Subfund is primarily to achieve a high regular income while preserving the value of the assets and maintaining a high level of liquidity.

At least two-thirds of this Subfund's total assets shall be invested, in accordance with the principle of risk-spreading, in debt instruments, bonds, notes, similar fixed-interest or floating-rate securities (including securities issued on a discount basis) with a short duration or short residual duration, denominated in the respective Reference Currency.

Up to one-third of the total assets of the Subfund may be invested in currencies other than the Reference Currency.

**Global Exposure**

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

**Specific Risk Information**

This is a very conservative Subfund that can be expected to exhibit slow but steady growth. A drop in price within a one-year time horizon is unlikely.

**Profile of the Typical Investor**

This Subfund is suitable for investors who, for reasons of yield, are seeking an alternative to the short-term money market, wish to limit the price risk on their bond investments and would like to shorten the average duration of their bond portfolio.

**Investment Adviser**

The Management Company has appointed Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich, as Investment Adviser to assist with the management of the 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.

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 Bond Fund (Lux) TOPS (Euro)**  
**Credit Suisse Bond Fund (Lux) TOPS (Sfr)**  
**Credit Suisse Bond Fund (Lux) TOPS (US\$)**

**Investment Objective and Investment Policy**

The currency mentioned in the name of the Subfund is merely the Reference Currency in which the performance and Net Asset Value of the Subfund are calculated, and is not the investment currency of the Subfund.

Investments may be denominated in any currency.

The objective of these Subfunds is to generate a regular income in the respective Reference Currency.

The assets of these Subfunds are invested worldwide in debt instruments, bonds, notes, similar fixed-interest or floating-rate securities (including securities issued on a discount basis) from the lower investment grade sector (rated at least "BBB-" by Standard & Poor's or "Baa3" by Moody's, or debt instruments deemed by the Management Company to be of similar credit quality) up to high-quality debt instruments of public, semi-private and private issuers.

The Subfunds shall limit interest-rate risk by investing in debt instruments with a short to medium duration. The Subfunds may also use techniques and instruments in order to reduce the interest-risk of debt instruments with a longer maturity, subject to the investment restrictions set out in the Sales Prospectus.

**Global Exposure**

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

**Specific Risk Information**

Since these Subfunds may invest in debt instruments in the lower investment grade sector, the underlying debt instruments may present a greater risk in terms of downgrading or may exhibit a greater default risk than debt instruments of first-class issuers. The higher return should be viewed as compensation for the greater degree of risk.

These are very conservative Subfunds that can be expected to exhibit slow but steady growth. A drop in price within a one-year time horizon is unlikely.

**Profile of the Typical Investor**

These Subfunds are suitable for investors who are seeking an investment which offers the same income as short-dated bond investments but without the exposure to interest-rate risks that is normally associated with such income.

**Investment Adviser**

The Management Company has appointed Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich, as Investment Adviser to assist with the management of the 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.

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 FUND MANAGEMENT S.A.**

5, rue Jean Monnet  
L- 2180 Luxembourg

[www.credit-suisse.com](http://www.credit-suisse.com)