



VISA 2013/91305-5455-0-PC  
L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2013-08-20  
Commission de Surveillance du Secteur Financier

A handwritten signature in blue ink, appearing to be a stylized name, possibly "F. J.", written over a white rectangular area.

## **Credit Suisse Solutions (Lux)**

Investment Company with variable capital under Luxembourg Law

### **Prospectus**

14 August, 2013

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## 1. Information for Prospective Investors

This prospectus ("Prospectus") is valid only if accompanied by the latest key investor information document ("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 shares in the Credit Suisse Solutions (Lux) (the "Company"). This Prospectus does not constitute an offer or solicitation to subscribe shares ("Shares") in the Company 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 Shares. Further tax considerations are set out in Chapter 9, "Expenses and Taxes".

Information about distribution in various countries is set out in Chapter 21, "Distribution of Shares".

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 Shares are sold.

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

Some of the Share Classes may be listed on the Luxembourg Stock Exchange.

**The Shares 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 Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended. Therefore, the Shares 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.**

The Company's Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) (the "FIEL") and, accordingly, neither the Shares nor any interest in them may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan. The Shares will be placed with a limited number of investors in accordance with the FIEL. Any solicitation of the Shares shall not be made, if, as a result of such solicitation, the number of persons (including beneficial owners or legal entities, but excluding "non-residents" of Japan as defined in article 6, paragraph 1, item 6 of the Foreign Exchange and Foreign Trade Law of Japan, (Law no. 228 of 1949, as amended) who are solicited for purchase of the Shares (including newly issued Shares which are of the same kind as Shares as defined under article 1-6, item 1 of the enforcement order of the FIEL and which were issued within six months before the date of issue of the Shares) will exceed 49. Notwithstanding anything to the

contrary, for purposes of determining compliance with the 49 persons limitation set forth above, the following shall apply: the Shares may be placed simultaneously with qualified institutional investors (a "QII") as defined in article 2, paragraph 3, item 1 of the FIEL and article 10, paragraph 1 of the cabinet order regarding definitions under article 2 of the FIEL if the offer is made on the condition that the offerees (i) agree to transfer the Shares only to QIIs; and (ii) agree to notify any such transferee in writing of (a) the Shares have not been registered pursuant to Article 4, Paragraph 1 of FIEL since solicitation of the Shares falls in solicitation to QIIs, and (b) the transfer restriction described in clause (i) upon or prior to such transfer. If the requirements set forth in (i) and (ii) are met, the number of offerees that are QIIs will not be counted towards the 49 holder limitation set forth above.

The Management Company (as described below) shall not disclose any confidential information concerning investors unless required to do so by applicable laws or regulations to the Management Company.

**2. Credit Suisse Solutions (Lux) – Summary of Share Classes <sup>(1)</sup>**

Subfund (Reference Currency)	Share Class	Currency	Minimum holding/ investment	Share Type <sup>(2)</sup>	Maximum Adjustment of the Net Asset Value	Maximum sales charge	Maximum management fee (per annum) <sup>(3)</sup>	Performance fee
<b>Credit Suisse Solutions (Lux)</b> Dow Jones Credit Suisse AllHedge Index (USD)	"B"	USD	n/a	CG	(6)	3.00%	1.00%	n/a
	"D" <sup>(4)</sup>	USD	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"I"	USD	USD 1,000,000	CG		3.00%	0.33%	n/a
	"R" <sup>(7)</sup>		n/a	CG		3.00%	1.00%	n/a
	"R"	CHF	n/a	CG		3.00%	1.00%	n/a
	"R"	EUR	n/a	CG		3.00%	1.00%	n/a
	"S" <sup>(7)</sup>	<sup>(7)</sup>	-	CG		3.00%	0.33%	n/a
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	0.33%	n/a
	"S" <sup>(7)</sup>	EUR	EUR 1,000,000	CG		3.00%	0.33%	n/a
"S" <sup>(7)</sup>	GBP	GBP 1,000,000	CG	3.00%	0.33%	n/a		
<b>Credit Suisse Solutions (Lux)</b> Best of Inflation and Equity Opportunity (EUR)	"A"	EUR	n/a	D	n/a	3.00%	1.50%	n/a
<b>Credit Suisse Solutions (Lux)</b> Megatrends (USD)	"B"	USD	n/a	CG	2.00%	3.00%	1.92%	n/a
	"D" <sup>(4)</sup>	USD	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"F" <sup>(9)</sup>	USD	n/a	CG		n/a	0.50%	n/a
	"I"	USD	USD 1,000,000	CG		3.00%	0.70%	n/a
	"P"	USD	USD 500,000	CG		3.00%	1.25%	n/a
	"R" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		3.00%	1.92%	n/a
	"R" <sup>(7)</sup>	CHF	n/a	CG		3.00%	1.92%	n/a
	"R" <sup>(7)</sup>	EUR	n/a	CG		3.00%	1.92%	n/a
	"R" <sup>(7)</sup>	GBP	n/a	CG		3.00%	1.92%	n/a
	"S" <sup>(7)</sup>	<sup>(7)</sup>	-	CG		3.00%	0.70%	n/a
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	0.70%	n/a
	"S" <sup>(7)</sup>	EUR	EUR 1,000,000	CG		3.00%	0.70%	n/a
	"UA" <sup>(10)</sup>	USD	n/a	D		3.00%	1.30%	n/a
	"UB" <sup>(10)</sup>	USD	n/a	CG		3.00%	1.30%	n/a
	"UAH" <sup>(7)(10)</sup>	<sup>(7)</sup>	n/a	D		3.00%	1.30%	n/a
"UBH" <sup>(7)(10)</sup>	<sup>(7)</sup>	n/a	CG	3.00%	1.30%	n/a		
<b>Credit Suisse Solutions (Lux)</b> Multimanager Equity Emerging Markets (USD)	"B"	USD	n/a	CG	2.00%	3.00%	1.50%	n/a
	"D" <sup>(4)</sup>	USD	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"F" <sup>(9)</sup>	USD	n/a	CG		n/a	0.90%	n/a
	"I"	USD	USD 1,000,000	CG		3.00%	0.90%	n/a
	"R" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		3.00%	1.50%	n/a
	"S" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		3.00%	0.90%	n/a
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	0.90%	n/a
	"S" <sup>(7)</sup>	EUR	EUR 1,000,000	CG		3.00%	0.90%	n/a
	"T" <sup>(7)(9)</sup>	<sup>(7)</sup>	n/a	CG		n/a	0.90%	n/a
<b>Credit Suisse Solutions (Lux)</b> Multimanager Equity Japan (JPY)	"B"	JPY	n/a	CG	2.00%	3.00%	1.50%	n/a
	"D" <sup>(4)</sup>	JPY	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"F" <sup>(9)</sup>	JPY	n/a	CG		n/a	0.90%	n/a
	"I"	JPY	100,000,000	CG		3.00%	0.90%	n/a
	"R" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		3.00%	1.50%	n/a
	"S" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		3.00%	0.90%	n/a
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	0.90%	n/a
	"S" <sup>(7)</sup>	EUR	EUR 1,000,000	CG		3.00%	0.90%	n/a
	"S" <sup>(7)</sup>	USD	USD 1,000,000	CG		3.00%	0.90%	n/a
"T" <sup>(7)(9)</sup>	<sup>(7)</sup>	n/a	CG	n/a	0.90%	n/a		
<b>Credit Suisse Solutions (Lux)</b> Multimanager Enhanced Fixed Income USD (USD)	"B"	USD	n/a	CG	2.00%	3.00%	1.50%	n/a
	"D" <sup>(4)</sup>	USD	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"F" <sup>(9)</sup>	USD	n/a	CG		n/a	0.90%	n/a
	"I"	USD	USD 1,000,000	CG		3.00%	0.90%	n/a
	"R" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		3.00%	1.50%	n/a
	"S" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		3.00%	0.90%	n/a
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	0.90%	n/a
	"S" <sup>(7)</sup>	EUR	EUR 1,000,000	CG		3.00%	0.90%	n/a
	"S" <sup>(7)</sup>	GBP	GBP 1,000,000	CG		3.00%	0.90%	n/a
	"T" <sup>(7)(9)</sup>	<sup>(7)</sup>	n/a	CG		n/a	0.90%	n/a
	"T" <sup>(7)(9)</sup>	CHF	n/a	CG		n/a	0.90%	n/a
"T" <sup>(7)(9)</sup>	EUR	n/a	CG	n/a	0.90%	n/a		

Subfund (Reference Currency)	Share Class	Currency	Minimum holding/ investment	Share Type <sup>(2)</sup>	Maximum Adjustment of the Net Asset Value	Maximum sales charge	Maximum management fee (per annum) <sup>(3)</sup>	Performance fee
<b>Credit Suisse Solutions (Lux)</b> Prima Multi-Strategy (EUR)	"B"	EUR	n/a	CG	n/a	5.00%	1.50%	<sup>(8)</sup>
	"D" <sup>(4)</sup>	EUR	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"F" <sup>(9)</sup>	EUR	n/a	CG		n/a	0.85%	<sup>(8)</sup>
	"I"	EUR	EUR 1,000,000	CG		3.00%	1.00%	<sup>(8)</sup>
	"EA" <sup>(11)</sup>	EUR	n/a	D		n/a	1.10%	<sup>(8)</sup>
	"EB" <sup>(11)</sup>	EUR	n/a	CG		n/a	1.10%	<sup>(8)</sup>
	"EAH" <sup>(7)(11)</sup>	<sup>(7)</sup>	n/a	D		n/a	1.10%	<sup>(8)</sup>
	"EBH" <sup>(7)(11)</sup>	<sup>(7)</sup>	n/a	CG		n/a	1.10%	<sup>(8)</sup>
	"R" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		5.00%	1.50%	<sup>(8)</sup>
	"R" <sup>(7)</sup>	CHF	n/a	CG		5.00%	1.50%	<sup>(8)</sup>
	"R" <sup>(7)</sup>	GBP	n/a	CG		5.00%	1.50%	<sup>(8)</sup>
	"R" <sup>(7)</sup>	USD	n/a	CG		5.00%	1.50%	<sup>(8)</sup>
	"S" <sup>(7)</sup>	<sup>(7)</sup>	-	CG		3.00%	1.00%	<sup>(8)</sup>
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	1.00%	<sup>(8)</sup>
	"S" <sup>(7)</sup>	GBP	GBP 1,000,000	CG		3.00%	1.00%	<sup>(8)</sup>
	"S" <sup>(7)</sup>	USD	USD 1,000,000	CG		3.00%	1.00%	<sup>(8)</sup>
	"T" <sup>(7)(9)</sup>	<sup>(7)</sup>	n/a	CG		n/a	0.85%	<sup>(8)</sup>
	"T" <sup>(7)(9)</sup>	CHF	n/a	CG		n/a	0.85%	<sup>(8)</sup>
	"T" <sup>(7)(9)</sup>	USD	n/a	CG		n/a	0.85%	<sup>(8)</sup>
	"T" <sup>(7)(9)</sup>	GBP	n/a	CG		n/a	0.85%	<sup>(8)</sup>
"UA" <sup>(10)</sup>	EUR	n/a	D	5.00%	1.25%	<sup>(8)</sup>		
"UB" <sup>(10)</sup>	EUR	n/a	CG	5.00%	1.25%	<sup>(8)</sup>		
"UAH" <sup>(7)(10)</sup>	<sup>(7)</sup>	n/a	D	5.00%	1.25%	<sup>(8)</sup>		
"UBH" <sup>(7)(10)</sup>	<sup>(7)</sup>	n/a	CG	5.00%	1.25%	<sup>(8)</sup>		
<b>Credit Suisse Solutions (Lux)</b> Prima Growth (EUR)	"B"	EUR	n/a	CG	n/a	5.00%	1.50%	<sup>(8)</sup>
	"D" <sup>(4)</sup>	EUR	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"F" <sup>(9)</sup>	EUR	n/a	CG		n/a	1.00%	<sup>(8)</sup>
	"I"	EUR	EUR 1,000,000	CG		3.00%	1.00%	<sup>(8)</sup>
	"EA" <sup>(11)</sup>	EUR	n/a	D		n/a	1.10%	<sup>(8)</sup>
	"EB" <sup>(11)</sup>	EUR	n/a	CG		n/a	1.10%	<sup>(8)</sup>
	"EAH" <sup>(7)(11)</sup>	<sup>(7)</sup>	n/a	D		n/a	1.10%	<sup>(8)</sup>
	"EBH" <sup>(7)(11)</sup>	<sup>(7)</sup>	n/a	CG		n/a	1.10%	<sup>(8)</sup>
	"R" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		5.00%	1.50%	<sup>(8)</sup>
	"R" <sup>(7)</sup>	CHF	n/a	CG		5.00%	1.50%	<sup>(8)</sup>
	"S" <sup>(7)</sup>	<sup>(7)</sup>	-	CG		3.00%	1.00%	<sup>(8)</sup>
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	1.00%	<sup>(8)</sup>
	"S" <sup>(7)</sup>	GBP	GBP 1,000,000	CG		3.00%	1.00%	<sup>(8)</sup>
	"S" <sup>(7)</sup>	USD	USD 1,000,000	CG		3.00%	1.00%	<sup>(8)</sup>
	"T" <sup>(7)(9)</sup>	<sup>(7)</sup>	n/a	CG		n/a	1.00%	<sup>(8)</sup>
	"T" <sup>(7)(9)</sup>	CHF	n/a	CG		n/a	1.00%	<sup>(8)</sup>
	"T" <sup>(7)(9)</sup>	USD	n/a	CG		n/a	1.00%	<sup>(8)</sup>
	"T" <sup>(7)(9)</sup>	GBP	n/a	CG		n/a	1.00%	<sup>(8)</sup>
	"UA" <sup>(10)</sup>	EUR	n/a	D		5.00%	1.25%	<sup>(8)</sup>
	"UB" <sup>(10)</sup>	EUR	n/a	CG		5.00%	1.25%	<sup>(8)</sup>
"UAH" <sup>(7)(10)</sup>	<sup>(7)</sup>	n/a	D	5.00%	1.25%	<sup>(8)</sup>		
"UBH" <sup>(7)(10)</sup>	<sup>(7)</sup>	n/a	CG	5.00%	1.25%	<sup>(8)</sup>		
<b>Credit Suisse Solutions (Lux)</b> Fund of Liquid Alternative Beta Funds (USD)	"B"	USD	n/a	CG	n/a	5.00%	1.50%	n/a
	"D" <sup>(4)</sup>	USD	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"E" <sup>(4)(7)</sup>	EUR	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"E" <sup>(4)(7)</sup>	CHF	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"E" <sup>(4)(7)</sup>	GBP	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"E" <sup>(4)(7)</sup>	<sup>(7)</sup>	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"F" <sup>(9)</sup>	USD	n/a	CG		n/a	0.85%	n/a
	"I"	USD	USD 1,000,000	CG		3.00%	1.00%	n/a
	"R" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		5.00%	1.50%	n/a
	"S" <sup>(7)</sup>	<sup>(7)</sup>	-	CG		3.00%	1.00%	n/a
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	1.00%	n/a
	"S" <sup>(7)</sup>	GBP	GBP 1,000,000	CG		3.00%	1.00%	n/a
	"S" <sup>(7)</sup>	EUR	EUR 1,000,000	CG		3.00%	1.00%	n/a
	"T" <sup>(7)(9)</sup>	<sup>(7)</sup>	n/a	CG		n/a	0.85%	n/a
	"T" <sup>(7)(9)</sup>	CHF	n/a	CG		n/a	0.85%	n/a
	"T" <sup>(7)(9)</sup>	EUR	n/a	CG		n/a	0.85%	n/a

Subfund (Reference Currency)	Share Class	Currency	Minimum holding/ investment	Share Type <sup>(2)</sup>	Maximum Adjustment of the Net Asset Value	Maximum sales charge	Maximum management fee (per annum) <sup>(3)</sup>	Performance fee
Credit Suisse Solutions (Lux) FX Diversified Fund (USD)	"B"	USD	n/a	CG	n/a	5.00%	1.50%	n/a
	"D" <sup>(4)</sup>	USD	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"E" <sup>(4)(7)</sup>	<sup>(7)</sup>	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"E" <sup>(4)(7)</sup>	CHF	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"E" <sup>(4)(7)</sup>	EUR	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"E" <sup>(4)(7)</sup>	GBP	10 shares	CG		n/a	n/a <sup>(5)</sup>	n/a
	"F" <sup>(9)</sup>	USD	n/a	CG		n/a	0.85%	n/a
	"J"	USD	USD 1,000,000	CG		3.00%	1.00%	n/a
	"R" <sup>(7)</sup>	<sup>(7)</sup>	n/a	CG		5.00%	1.50%	n/a
	"S" <sup>(7)</sup>	<sup>(7)</sup>	-	CG		3.00%	1.00%	n/a
	"S" <sup>(7)</sup>	CHF	CHF 1,000,000	CG		3.00%	1.00%	n/a
	"S" <sup>(7)</sup>	EUR	EUR 1,000,000	CG		3.00%	1.00%	n/a
	"S" <sup>(7)</sup>	GBP	GBP 1,000,000	CG		3.00%	1.00%	n/a
	"T" <sup>(7)(9)</sup>	<sup>(7)</sup>	n/a	CG		n/a	0.85%	n/a
"T" <sup>(7)(9)</sup>	CHF	n/a	CG	n/a	0.85%	n/a		
"T" <sup>(7)(9)</sup>	EUR	n/a	CG	n/a	0.85%	n/a		
"T" <sup>(7)(9)</sup>	GBP	n/a	CG	n/a	0.85%	n/a		

- (1) This Summary of Share Classes should not be relied upon as a substitute for reading the Prospectus.
- (2) CG = capital growth / D = distribution.
- (3) The management fee actually payable will be disclosed in the respective annual or semi-annual report.
- (4) Class "D" and "E" Shares may only be acquired by those investors who have concluded a discretionary asset management agreement with a subsidiary of Credit Suisse Group AG. Moreover, subject to the prior consent of the Company, Class "D" and "E" Shares may also be acquired by institutional investors who have concluded an advisory agreement or any similar agreement with a subsidiary of Credit Suisse Group AG.
- (5) Class "D" and "E" Shares 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 0.15% p.a.
- (6) The adjustment percentage (swing factor) for this Subfund may vary depending on the specific circumstances as indicated in Chapter 22, "Subfunds".
- (7) The Company may decide on the issue of Class "E", "EAH", "EBH", "R", "S", "T", "UAH" and "UBH" Shares in any additional freely convertible currencies as well as on their Initial Offering price at any time. Investors must check with the offices listed in Chapter 14, "Information for Shareholders" (registered office of the Company, Paying Agent, Information Agent and Distributors) as to whether Shares of Class "E", "EAH", "EBH", "R", "S", "T", "UAH" and "UBH" have in the meantime been issued in additional currencies before submitting their subscription application.
- With Share Classes "E", "EAH", "EBH", "R", "S", "T", "UAH" and "UBH" the risk of an overall depreciation of the Subfund's Reference Currency against the alternate currency of the Share Class is reduced significantly by hedging the Net Asset Value of the respective Share Class "E", "EAH", "EBH", "R", "S", "T", "UAH" and "UBH" – calculated in the Subfund's Reference Currency – against the respective alternate currency by means of forward foreign exchange transactions.
- The Net Asset Value of the Shares of these Alternate Currency Classes does not develop in the same way as that of the Share Classes issued in the Reference Currency.
- (8) The details of the Performance Fee are set out in Chapter 22, "Subfunds".
- (9) Class "F" and "T" Shares may only be acquired by investors who have concluded a discretionary asset management agreement with a subsidiary of Credit Suisse Group AG.
- (10) The Share Classes "UA", "UB", "UAH" and "UBH" are only available at the Management Company's discretion to certain distributors who, for example, have separate fee arrangements with their clients.
- (11) Shares of "EA", "EAH", "EB" and "EBH" may only be acquired by institutional investors.

### 3. The Company

The Company is an undertaking for collective investment in transferable securities in the legal form of an investment company with variable capital (société d'investissement à capital variable, SICAV) subject to Part I of the law of 17 December 2010 on undertakings for collective investment ("Law of 17 December 2010") transposing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities. The Company was established on 30 November 2007.

The Company has appointed Credit Suisse Fund Management S.A. as the Management Company ("Management Company"). In this capacity, the Management Company acts as investment manager, administrator and distributor of the Company's Shares. The Management Company has delegated the above-mentioned tasks as follows:

Tasks relating to the investment management are performed by the investment managers ("Investment Managers") named in Chapter 22 ("Subfunds") and administrative tasks are performed by Credit Suisse Fund Services (Luxembourg) S.A.. The distributors named in Chapter 20, "Main Parties", are responsible for the distribution of the Company's Shares.

The Company is registered with the Luxembourg Trade and Companies Register (registre de commerce et des sociétés) under number B134528. Its articles of incorporation ("Articles of Incorporation") were first published in the Mémorial, Recueil des Sociétés et Associations on 17 January 2008, n°127, page 6059 and since that time have been amended several times. The last amendments of the Articles of Incorporation took place on 3 October 2011 and were published on 17 October 2011 in the "Mémorial". The legally binding version is deposited with the Trade and Companies Register. All amendments of the Articles of Incorporation will be announced in accordance with Chapter 14, "Information for Shareholders", and become legally binding for all Shareholders subsequent to their approval by the General Meeting of Shareholders. The share capital of the Company corresponds to the total net asset value of the Company and shall at any time exceed the equivalent in USD of EUR 1,250,000.

The Company has an umbrella structure and therefore consists of at least one Subfund (each referred to as a "Subfund"). Each Subfund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties. The rights of Shareholders 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 board of directors of the Company ("Board of Directors") may at any time establish new Subfunds with Shares having similar characteristics to the Shares in the existing Subfunds. The Board of Directors may at any time create and issue new classes ("Classes") or types of Shares within any Subfund. If the Board of Directors establishes a new Subfund and/or creates a new Class or type of Share, the corresponding details shall be set out in this Prospectus. A new Class or type of Share may have different characteristics than the currently existing Classes. The terms of any offering of new Shares shall be set out in Chapter 2, "Summary of Share Classes" and Chapter 22, "Subfunds".

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

The individual Subfunds shall be denominated as indicated in Chapter 2, "Summary of Share Classes" and Chapter 22, "Subfunds".

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

### 4. Investment Policy

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

The investment objective and policy of the individual Subfunds are described in Chapter 22, "Subfunds". The assets of the individual Subfunds will be invested in accordance with the investment restrictions as stipulated by the Law of 17 December 2010 and set out in this Prospectus in Chapter 6, "Investment Restrictions".

The investment objective for each Subfund is to maximize the appreciation of the assets invested. In order to achieve this, the Company 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 individual Subfunds are specified in Chapter 2, "Summary of Share 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.

#### Collective Management of Assets

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

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

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

The Subfunds of the Company may, subject to the conditions provided for in the Law of 17 December 2010, in particular Article

41, subscribe, acquire and/or hold securities to be issued or issued by one or more Subfunds of the Company 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 shares of other target Subfunds of the Company; 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 Company, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Subfund of the Company having invested in the target Subfund, and this target Subfund.

## 5. Investment in Credit Suisse Solutions (Lux)

### i. General Information on the Shares

Each Subfund may issue Shares of Classes "A", "B", "D", "E", "EA", "EAH", "EB", "EBH", "F", "I", "P", "R", "S", "T", "UA", "UAH", "UB" and "UBH". The Share 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 Share 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 Share Classes are only available in uncertificated form and will exist exclusively as book entries.

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

#### Capital-growth Shares

Class "B", "D", "E", "EB", "EBH", "F", "I", "P", "R", "S", "T", "UB" and "UBH" are capital-growth Shares. Details of the characteristics of capital growth Shares are included in Chapter 11, "Appropriation of Net Income and Capital Gains".

#### Distribution Shares

Class "A", "EA", "EAH", "UA" and "UAH" are distributing Shares. Details of the characteristics of distribution Share Classes are included in Chapter 11, "Appropriation of Net Income and Capital Gains".

#### Share Classes dedicated to a specific type of investors

Class "D" and "E" Shares may only be acquired by investors who have concluded a discretionary asset management agreement with a subsidiary of Credit Suisse Group AG. Furthermore, subject to the prior consent of the Company, Class "D" and "E" Shares may also be acquired by institutional investors (according to Article 174 (2) c) of the Law of 17 December 2010) who have concluded an advisory agreement or any similar agreement with a subsidiary of Credit Suisse Group AG.

Where such a discretionary asset management agreement, advisory agreement or any similar agreement has been terminated, Class "D" and "E" Shares held by the investor at that time shall be either compulsorily redeemed or, according to the request of investor, converted into another Share Class. Moreover, Class "D" and "E" Shares are not transferable without the Company's approval. Class "D" and "E" Shares shall not be subject to a management fee or sales charge, however a service fee payable to the central administration ("Central Administration") will be charged. A minimum initial investment and holding is required for this Share Class, as specified in Chapter 2, "Summary of Share Classes".

Class "F" and "T" Shares may only be acquired by investors who have concluded a discretionary asset management agreement with a subsidiary of Credit Suisse Group AG. Where such a discretionary asset management agreement has been terminated, Class "F" and "T" Shares held by the investor at that time shall be either compulsorily redeemed or, according to the request of the investor, converted into another Share Class. Moreover, Class "F" and "T" Shares are not transferable without the approval of the Company. Class "F" and "T" Shares shall not be subject to a sales charge and benefit from a reduced management fee as specified in Chapter 2 "Summary of Share Classes".

Class "EA", "EAH", "EB" and "EBH" Shares may only be acquired by institutional investors according to Article 174 (2) c) of the Law of December 17, 2010. Class "EA", "EAH", "EB" and "EBH" Shares benefit from the reduced management fee and sales charge as specified in Chapter 2, "Summary of Share Classes".

Class "UA", "UB", "UAH" and "UBH" Shares may only be acquired by certain distributors who, for example, have separate fee arrangements with their clients at the discretion of the Management Company.

Class UA, UB, UAH and UBH Shares are subject to a sales charge and shall benefit from a reduced management fee as specified in Chapter 2, "Summary of Share Classes".

#### Minimum Holding

Class "D", "E", "I", "P" and "S" Shares are subject to an initial minimum investment and holding amount and benefit from reduced management fees and sales charges (if applicable) as specified in Chapter 2, "Summary of Share Classes".

#### Hedged Share Classes

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

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. Class "EAH", "EBH", "R", "S", "T", "UAH" and "UBH" Shares are subject to the management fee and sales charge as set out in Chapter 2 "Summary of Share Classes". Subscription of "E" and "S" Shares are subject to the minimum initial investment and holding requirements as set out in Chapter 2, "Summary of Share Classes". The Net Asset Value of the Shares of these Alternate Currency Classes does not develop in the same way as that of the Share Classes issued in the Reference Currency.

#### Issue Price

Unless otherwise determined by the Company, the initial issue price of Share Classes "A", "B", "R", "UA", "UB", "UAH" and "UBH" amounts to EUR 100, CHF 100, USD 100, RON 100, PLN 100, GBP 100, CZK 1000 and/or HUF 10,000, and of Share Classes "D", "E", "EA", "EAH", "EB", "EBH", "F", "I", "P", "S", and "T" to EUR 1000, CHF 1000, USD 1000 and/or GBP 1000, depending on the currency denomination of the Share Class in the respective Subfund and its characteristics.

After the initial offering, Shares may be subscribed at the applicable net asset value ("Net Asset Value").

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

Except in case of Alternate Currency Share Classes, Share Classes shall be denominated in the Reference Currency of the Subfund to which they relate (as specified in Chapter 2, "Summary of Share Classes").

Investors may, at the discretion of the Central Administration, pay the subscription monies for Shares in a convertible currency other than the currency in which the relevant Share 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 Shares are denominated. Further details are set out in Chapter 5 ii., "Subscription of Shares".

The Company may at any time issue, within a Subfund, one or more Share Classes denominated in a currency other than the Subfund's Reference Currency ("Alternate Currency Class"). The issue of each further or Alternate Currency Class is specified in Chapter 2, "Summary of Share Classes". The Company may enter into forward currency contracts for, and at the expense of, this Alternate Currency Class in order to minimize the effect of price fluctuations in this alternate currency. However, no assurance can be given that the hedging objective would be achieved.

The Net Asset Value of the Shares of these Alternate Currency Classes does not develop in the same way as that of the Share Classes issued in the Reference Currency.

In the case of Subfunds with Alternate Currency Classes, the currency hedging transactions for one Share Class may, in exceptional cases, adversely affect the Net Asset Value of the other Share Classes.

Shares may be held through collective depositories. In such cases, Shareholders shall receive a confirmation in relation to their Shares from the depository of their choice (for example, their bank or broker), or Shares may be held by Shareholders directly in a registered account kept for the Company and its Shareholders by the Company's Central Administration. These Shareholders will be registered by the Central Administration. Shares held by a depository may be transferred to an account of the Shareholder with the Central Administration or to an account with other depositories approved by the Company or, except for Share Classes "D", "E", "F", "P" and "T" with an institution participating in the securities and fund clearing systems. Conversely, Shares held in a Shareholder's account kept by the Central Administration may at any time be transferred to an account with a depository.

The Company may divide or merge the Shares in the interest of the Shareholders.

#### **ii. Subscription of Shares**

Unless stated otherwise in Chapter 22, "Subfunds", Shares may be subscribed on any day on which banks are normally open for business in Luxembourg ("Banking Day") at the Net Asset Value per Share of the relevant Share 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 method described in Chapter 8, "Net Asset Value", plus the applicable initial sales charges and any taxes. The applicable maximum sales charge levied in connection with the Shares of the Company is indicated in Chapter 2, "Summary of Share Classes".

Unless otherwise specified in Chapter 22, "Subfunds", subscription applications must be submitted in written form to the Central Administration or a distributor authorized by the Company to accept applications for the subscription or redemption of Shares ("Distributor") before 3 p.m. (Central European Time).

Unless otherwise specified in Chapter 22, "Subfunds", subscription applications shall be settled on the Valuation Day following the Banking Day on which receipt of the subscription application is determined by the Central Administration or the relevant Distributor 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 otherwise specified in Chapter 22, "Subfunds", payment must be received within two Banking Days after the Valuation Day on which the issue price of such Shares was determined.

Charges to be paid due to the subscription of Shares shall accrue to the banks and other financial institutions engaged in the distribution of the Shares. Any taxes incurred on the issue of Shares shall also be charged to the investor. Subscription amounts shall be paid in the currency in which the relevant Shares 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 Company's bank accounts. Further details are set out in the subscription application form. Investors may also enclose a cheque with the subscription application. The cheque fee, if any, shall be deducted from the subscription amount before allocating it to the purchase of Shares.

The Company may in the interest of the Shareholders accept transferable securities and other assets permitted by Part I of the Law of 17 December 2010 as payment for subscription ("contribution in kind"), provided, the offered transferable securities and assets correspond to the investment policy and restrictions of the relevant Subfund. Each payment of Shares in return for a contribution in kind is part of a valuation report issued by the auditor of the Company. The Board of Directors 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 Shares shall be issued upon receipt of the issue price with the correct value date by the Custodian Bank. Notwithstanding the above, the 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 Shares are denominated, the proceeds of conversion from the currency of payment to the currency of denomination less fees and exchange commission shall be allocated to the purchase of Shares.

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

Subscriptions and redemptions of fractions of Shares shall be permitted up to three decimal places. Fractional Shares shall not be entitled to voting rights. A holding of fractional Shares shall entitle the Shareholder to proportional rights in relation to such Shares. It might occur that clearing institutions will be unable to process holdings of fractional Shares. Investors should verify whether this is the case.

The Company, 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 Shares to individuals or corporate bodies in certain countries or regions if such sales might be detrimental to the Company 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 Shares on a permanent or temporary basis.

#### **iii. Redemption of Shares**

Unless otherwise specified in Chapter 22, "Subfunds", the Company shall in principle redeem Shares on any Banking Day at the Net Asset Value per Share of the relevant Share Class of the Subfund (based on the calculation method as described in Chapter 8, "Net Asset Value"), calculated on the Valuation Day following such Banking Day, less any redemption fee where applicable.

Redemption applications must be submitted to the Central Administration or a Distributor. Redemption applications for Shares held through a depository must be submitted to the depository concerned. Unless otherwise specified in Chapter 22, "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 investor's holding in a particular Share Class falling below the minimum holding requirement for that Class as set out in Chapter 2, "Summary of Share Classes", the Company may, without further notice to the Shareholder, treat such redemption application as though it were an application for the redemption of all Shares of the Class held by the Shareholder.

Class “D” and “E” Shares, which may only be purchased by investors who have signed a discretionary asset management, advisory agreement or any similar agreement with a subsidiary of Credit Suisse Group AG, shall be either compulsorily redeemed or, according to the request of investor, converted into another Share Class if the corresponding discretionary asset management, advisory agreement or any similar agreement has been terminated.

Class “F” and “T” Shares, which may only be purchased by investors who have concluded a discretionary asset management agreement with a subsidiary of Credit Suisse Group AG, shall be either compulsorily redeemed or, according to the request of investor, converted into another Share Class if the corresponding discretionary asset management agreement has been terminated.

Unless otherwise specified in Chapter 22, “Subfunds”, Shares shall be redeemed at the relevant Net Asset Value per Share 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 Share Class.

Payment of the redemption price of the Shares shall be made within two Banking Days following calculation of the redemption price, unless stated otherwise in Chapter 22, “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 price.

In the case of large redemption applications, the Company may decide to settle redemption applications once it has sold corresponding assets without undue delay. Where such a measure is necessary and if not otherwise specified in Chapter 22, “Subfunds”, 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 Shares 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 Share shall cease to be valid.

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

#### iv. Conversion of Shares

Unless otherwise specified in Chapter 22, “Subfunds”, Shareholders in a particular Share Class of a Subfund may at any time convert all or part of their Shares into Shares of the same Class of another Subfund or into Shares of another Class of the same or another Subfund, provided that the requirements for the Share Class into which such Shares are converted (see Chapter 2, “Summary of Share Classes”) are complied with. The fee charged for such conversions shall not exceed half the initial sales charge of the Class into which the Shares are converted. Unless otherwise specified in Chapter 22, “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 Share calculated on the Valuation Day following the Banking Day on which receipt of the conversion application is determined by the Distributor or the Central Administration before 3 p.m. (Central European Time). Conversions of Shares will only be made on a Valuation Day, if the Net Asset Value in both relevant Share Classes is calculated.

Where processing an application for the conversion of Shares would result in the relevant Shareholder’s holding in a particular Share Class falling below the minimum holding requirement for that Class set out in Chapter 2, “Summary of Share Classes”, the Company may, without further notice to the Shareholder, treat such conversion application as though it were an application for the conversion of all Shares held by the Shareholder in that Share Class.

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

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

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

- a) cannot be valued, because a stock exchange or market is closed on a day other than a usual public holiday, or when trading on such stock exchange or market is restricted or suspended; or
- b) is not freely disposable because a political, economic, military, monetary or any other event beyond the control of the Company does not permit the disposal of the Subfund’s assets, or such disposal would be detrimental to the interests of Shareholders; or
- c) cannot be valued because disruption to the communications network or any other factor makes a valuation impossible; or
- d) is not available for transactions because restrictions on foreign exchange or other types of restrictions make asset transfers impracticable or it can be objectively demonstrated that transactions cannot be effected at normal foreign exchange rates; or
- e) when the prices of a substantial portion of the constituents of the underlying asset or the price of the underlying asset itself of an OTC transaction and/or when the applicable techniques used to create an exposure to such underlying asset cannot promptly or accurately be ascertained; or
- f) where the existence of any state of affairs which, in the opinion of the Board of Directors, constitutes an emergency or renders impracticable, a disposal of a substantial portion of the assets attributable to a Subfund and/or a disposal of a substantial portion of the constituents of the underlying asset of an OTC transaction.

Investors applying for, or who have already applied for, the subscription, redemption or conversion of Shares in the respective Subfund shall be notified of the suspension without delay. Notice of the suspension shall be published as described in Chapter 14, “Information for Shareholders” if, in the opinion of the Board of Directors of the Company, the suspension is likely to last for longer than one week.

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

#### vi. Measures to combat Money Laundering

The Distributors are obliged by the Company to ensure compliance with all current and future statutory or professional regulations applicable in Luxembourg aimed at combating money laundering

and terrorist financing. These regulations stipulate that the Distributors are under obligation, prior to submitting any application form to the Central Administration, to verify the identity of the purchaser and beneficial owner as follows:

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

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

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

The Central Administration is responsible for observing the aforementioned verification procedure in the event of purchase 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 Company does not permit practices related to "Market Timing" (i.e. a method through which an investor systematically subscribes and redeems or converts Shares 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 Company suspects of using such practices and to take, if appropriate, the necessary measures to protect the other investors of the Company.

## 6. Investment Restrictions

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

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

- 1) The Subfunds' 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") other than the Member States of the EU;

- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognized and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;
- d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on stock exchanges or markets as per paragraphs a), b) or c) above and provided such admission takes place within one year of issue;
- e) units or shares of undertakings for collective investment in transferable securities authorized according to Directive 2009/65/EC ("UCITS") and/or other undertakings for collective investment within the meaning of Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC ("UCI"), whether or not established in a Member State, provided that:
  - these other UCI are authorised under laws which provide that they are subject to supervision considered by the supervisory authority responsible for the Company, 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 regulations 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 Company, as equivalent to those laid down in EU Community law; g) financial derivative instruments, including equivalent cash-settled instruments which are dealt in on a regulated market referred to under paragraphs a), b) and c) above and/or financial derivative instruments which are dealt in over-the-counter ("OTC derivatives"), provided that:
  - the underlying consists of instruments within the meaning of Article 41, paragraph (1) of the Law of 17 December 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the Company 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 Company, 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 Company's initiative;

- h) money market instruments other than those dealt in on a regulated market and 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 Company, 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 Company, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual financial statements in accordance with the fourth Directive 78/660/EEC or is an entity, which within a group of companies comprising one or several listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- 2) The Subfunds shall not, however, invest more than 10% of their total net assets in transferable securities or money market instruments other than those referred to in section 1).  
The Subfunds may hold ancillary liquid assets in different currencies.

- 3) The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the investment positions and their contribution to the overall risk profile of the portfolio and a process for accurate and independent assessment of the value of OTC derivatives.

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

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

As part of its investment policy and within the limits laid down in section 4) paragraph e), each Subfund may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 4). If a Subfund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 4). When a transferable security or a money market instrument 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 22, "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 Company may benefit from the effects of netting and hedging arrangements.

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

Unless otherwise specified in Chapter 22, 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 transferable securities and money market instruments issued by those issuers, in which a Subfund invests more than 5% of its total net assets, shall not exceed 40% of the value of its total net assets. No Subfund may invest more than 20% of its total net assets in deposits made with the same body. The risk exposure to a counterparty of a Subfund in an OTC derivative transaction may not exceed the following percentages:
- 10% of total net assets if the counterparty is a credit institution referred to in Chapter 6, "Investment Restrictions", section 1) paragraph f), or
  - 5% of total net assets in other cases.
- b) The 40% limit specified in section 4) paragraph a) is not applicable to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- Irrespective of the limits specified in 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, or
  - deposits made with that body, or
  - exposures arising from OTC derivatives transactions undertaken with that body.
- c) The limit of 10% stipulated in section 4) paragraph a) is raised to a maximum of 35% if the 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 Organisation for Economic Cooperation and Development ("OECD") or 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.**

g) Without prejudice to the limits laid down in section 7), the limits laid down in the present section 4) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body, when the aim of the Subfund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the supervisory authority responsible for the Company, on the following basis:

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

The aforementioned limit of 20% may be raised to a maximum of 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

5) The Company 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 22, "Subfunds".

Where a higher limit as 10% is specified in Chapter 22, "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 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 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.

Unless specified otherwise in Chapter 22, "Subfunds", no management fee corresponding to the volume of these investments in Affiliated Funds may be charged at the level of the respective Subfund, unless the Affiliated Fund itself does not charge any management fee.

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

- 6) To ensure efficient portfolio management, each Subfund may, in compliance with the provisions of CSSF Circular 08/356, purchase or sell securities in the context of securities repurchase transactions.
- 7) a) The Company's assets may not be invested in securities carrying voting rights which enable the Company to exercise significant influence over the management of an issuer.
- b) Moreover, the Company may not acquire more than
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 25% of the units/shares of the same UCITS or other UCI;
  - 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.

- c) 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 Company 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 Company 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 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 Company may not grant loans or act as guarantor for third parties.
- 10) To ensure efficient portfolio management, each Subfund may, in compliance with the provisions of CSSF Circular 08/356, enter into securities lending transactions.
- 11) The Company may not invest its assets directly in real estate, precious metals or certificates representing precious metals and goods.
- 12) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in section 1) paragraph e), g) and h).
- 13) Except in relation to borrowing conducted within the limitations set out in the Prospectus, the Company may not pledge the assets of the Company or assign them as collateral. In such permitted 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 sections 4) and 5) above need not 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 Company or as a result of the exercise of subscription rights, the Company shall as a matter of priority remedy that situation, taking due account of the interests of the Shareholders.

The Company is entitled to issue, at any time, further investment restrictions in the interests of the Shareholders, if for example such restrictions are necessary to comply with the legislation and regulations in those countries in which the Company's Shares are or will be offered for sale.

## 7. Risk Factors

**Prospective investors should consider the following risk factors before investing in the Company. However, the risk factors set out below do not purport to be an exhaustive list of risks related to investments in the Company. 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 Shares 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 Company 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 Company, 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 Shares 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 Share 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 Company's interests. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

### **Interest Rate Risk**

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

### **Foreign Exchange Risk**

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

Currencies of certain countries may be volatile and therefore may affect the value of securities denominated in such currencies. If the currency in which an investment is denominated appreciates against the Reference Currency of the relevant Subfund, the value of the investment will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the investment.

The Subfunds may enter into hedging transactions on currencies to protect against a decline in the value of investments denominated in currencies other than the Reference Currency, and against any increase in the cost of investments denominated in currencies other than the Reference Currency. However, there is no guarantee that the hedging will be successfully achieved.

Although it may be the policy of some Subfunds to hedge the currency exposure 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 Company may enter into over-the-counter transactions which will expose the Subfunds to the risk that the counterparty may default on its obligation to perform under such contracts. In the event of bankruptcy of counterparty, the Subfunds could experience delays in liquidating the position and significant losses.

### **Liquidity Risk**

There is a risk that the Company will suffer liquidity issues because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such case the Company

may not be able to pay redemption proceeds within the time period stated in this Prospectus.

#### **Management Risk**

The Company is actively managed and therefore the Subfunds may be subject to management risks. The 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 Company may in certain cases decide not to use investment techniques, such as derivative instruments, or, they may not be available, even under market conditions where their use could be beneficial for the relevant Subfund.

#### **Investment Risk**

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

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

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

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

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

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

As the net asset value of a Subfund is calculated in its Reference Currency, the performance of investments denominated in a currency other than the Reference Currency will depend on the strength of such currency against the Reference Currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-Reference Currency investments (such as a change in the political climate or an issuer's credit quality), an increase in the value of the non-Reference Currency can generally be expected to increase the value of a Subfund's non-Reference Currency investments in terms of the Reference Currency.

The Subfunds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies on the basis of the creditworthiness or risk of default. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issue. Moreover, the Subfunds may invest in debt instruments in the non investment grade sector (high yield debt securities). Compared to investment grade debt securities, high yield debt securities are generally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default attached to these debt instruments.

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

The leveraged effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than in the case of investment in equities. Because of the

volatility of warrants, the volatility of the share price of any Subfund investing in warrants may potentially increase.

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

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

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

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

While the use of financial derivative instruments can be beneficial, 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 Company. Consequently, the Company's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering the Company's investment objectives.

Derivative instruments also carry the risk that a loss may be sustained by the Company 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, provides 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 Company if one of the entities underlying the credit derivative defaults.

Moreover, OTC derivatives may bear liquidity risks. The counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such cases, the Company 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 Company's obligations through an equal and opposite transaction. Therefore, through entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under these contracts.

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

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

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

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

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

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

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

Investments in products and/or techniques providing an exposure to commodity, hedge fund and real estate indices differ from traditional investments and entail additional risk potential (e.g. they are subject to greater price fluctuations). When included in a broadly diversified portfolio, however, investments in products and/or techniques providing an exposure to commodity and real estate indices generally show only a low correlation to traditional investments.

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

The Company 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 Company cannot readily sell such securities. Moreover, there may be contractual restrictions on the resale of such securities. In addition, the Company 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. When 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 may prevent the Company from promptly liquidating unfavourable positions and therefore result in losses.

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

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

The Subfunds may have exposure to asset backed securities („ABS“) and mortgage backed securities („MBS“). ABS and MBS are debt securities issued by a special purpose vehicle (SPV) with the aim to pass through of liabilities of third parties other than the parent company of the issuer. Such securities are secured by an asset pool (mortgages in the case of MBS and various types of assets in the case of ABS). Compared to other traditional fixed income securities such as corporate or government issued bonds, the obligations associated with these securities may be subject to greater counterparty, liquidity and interest rate risks as well as other types of risks, such as reinvestment risk (arising from included termination rights, prepayment options), credit risks on the underlying assets and advance repayments of principal resulting in

a lower total return (especially, if repayment of the debt is not concurrent with redemption of the assets underlying the claims).

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

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

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

#### **Investments in REITs**

REITs (real estate investment trusts) are listed companies – not open-ended undertakings for collective investment in transferable securities under Luxembourg law – which buy and/or develop real estate as long-term investments. They invest the bulk of their assets directly in real estate and derive most of their income from rent. Special risk considerations apply to investments in publicly traded securities of companies active primarily in the real estate sector. These risks include: the cyclical nature of real estate securities, risks connected with the general and local economic situation, supply overhangs and fierce competition, increases in land tax and operating costs, demographic trends and changes in rental income, changes to the provisions of building law, losses from damage and expropriation, environmental risks, rent ceilings imposed by administrative provisions, changes in real estate prices in residential areas, risks of associated parties, changes in the attractiveness of real estate to tenants, interest rate rises and other factors influencing the real estate capital market. As a rule, interest rate rises result in higher financing costs, which could reduce – either directly or indirectly – the value of the respective Subfund's investment.

#### **Investments in Russia**

Custodial and registration risk in Russia

- Although exposure to the Russian equity markets is substantially hedged through the use of GDRs and ADRs, individual Subfunds may, in accordance with their investment policy, invest in securities which require the use of local depository and/or custodial services. Currently, evidence of legal title to shares 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 erase, the Subfund's holdings of the relevant company's shares. 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 Manager, the Custodian Bank, the Management Company, the Board of Directors of the Management Company 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 provides for a somewhat limited protection for the "good faith purchaser", as this protection is not available in respect of an asset that has been stolen from the original owner or otherwise was taken out of its possession without its will. At the present time, there may be some risk of a challenge by a prior owner of the Subfund's ownership to shares, in which

case the value of the Subfund's assets would be impaired (although in respect of exchange traded securities this risk appears to be remote). However, Russian Parliament is currently considering substantial amendments to the Russian Civil Code, which will expressly grant unlimited bona fide purchase protection to purchasers of quoted securities. The current expectations are that these rules come into effect in the course of 2013.

Direct investments in the Russian market are made in principle via equities or equity-type securities traded on the Open Joint Stock Company "Moscow Exchange MICEX-RTS" (the "Moscow Exchange"), in accordance with Chapter 6, "Investment Restrictions" and unless stipulated otherwise in Chapter 22, "Subfunds".

Any other direct investments, which are not made via the Moscow Exchange will fall within the 10%-rule of Article 41 (2) a) of the Law of December 17, 2010.

#### **Investments in Private Equity**

A number of Subfunds may invest a small proportion of their net assets in private equity. Investments with private equity characteristics typically involve uncertainties that cannot be compared to those arising in the case of other types of investments. In many cases, private equity investments involve companies that have been in existence for only a short time and which intend to establish themselves in an existing market or occupy new business areas. The business concepts behind these companies are usually based on new, innovative products or processes.

Consequently, the process of forecasting the performance of such companies, their business concepts and potential sales, is often fraught with uncertainty.

The market risks for private equity are partly dependent on the IPO market. The IPO market constitutes a key instrument for exiting from/selling a private equity investment. A reduced level of activity on the IPO market may have an adverse, overall influence on the implementation of exit strategies.

In view of the different timing of the information provided to individual Subfunds on the part of individual private equity vehicles/companies, it may be the case that from time to time the Net Asset Value per Share of these Subfunds does not correspond with the actual overall value of the investments. Consequently, there may be a degree of delay in terms of incorporating information that affects the valuation of a private equity investment within the daily valuation of the Company's assets. The same applies to the information contained in the annual and semi-annual report.

#### **Hedged Share Class Risk**

The hedging strategy applied to hedged Share 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 Share 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 Share Classes within a Subfund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged Share Class could result in liabilities affecting the Net Asset Value of the other Share Classes of the same Subfund. In such case assets of other Share Classes of such Subfund may be used to cover the liabilities incurred by the hedged Share 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 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 Company'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 countries, such concentration will expose the Subfund to the risk of adverse social, political or economic events which may occur in that country or countries.

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

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

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

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Subfunds investing in such markets, as well as the income derived from the Subfund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Shares 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 organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Subfunds 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.

#### **Industry/Sector Risk**

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

#### **Securities Lending**

Securities lending transactions involve counterparty risk, including the risk that the lent securities may not be returned or returned in a timely manner. Should the borrower of securities fail to return the securities lent by a Subfund, there is a risk that the collateral

received may be 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 Company 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 22, "Subfunds", the Net Asset Value of the Shares of each Subfund shall be calculated in the Reference Currency of the respective Subfund and shall be determined under the responsibility of the Company's Board of Directors 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 Company may decide, by way of exception, that the Net Asset Value of the Shares in this Subfund will not be determined on such days.

For determining the net asset value, the assets and liabilities of the Company shall be allocated to the Subfunds (and to the individual Share Classes within each Subfund), the calculation is carried out by dividing the net asset value of the Subfund by the total number of Shares outstanding for the relevant Subfund or the relevant Share Class. If the Subfund in question has more than one Share Class, that portion of the Net Asset Value of the Subfund attributable to the particular Class will be divided by the number of issued Shares of that Class.

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

The Net Asset Value of the Alternate Currency Class will in particular reflect the costs and expenses incurred for the currency conversion in connection with the subscription, redemption and conversion of Shares in this Class and for hedging the currency risk.

Unless otherwise specified in Chapter 22, "Subfunds", the assets of each Subfund shall be valued as follows:

- a) Securities which are listed or regularly traded on a stock exchange shall be valued at the last available traded price. If such a price is not available for a particular trading day, the closing mid-price (the mean of the closing bid and ask prices) or alternatively the closing bid price, may be taken as a basis for the valuation.
- b) If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security.
- c) In the case of securities for which trading on a stock exchange is not significant but which are traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.

- d) Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange.
- e) Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Company shall value these securities in accordance with other criteria to be established by the Board of Directors 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. OTC swap transactions will be valued on a consistent basis based on bid, offer or mid prices as determined in good faith pursuant to procedures established by the Board of Directors. When deciding whether to use the bid, offer or mid prices the Board of Directors will take into consideration the anticipated subscription or redemption flows, among other parameters. If, in the opinion of the Board of Directors, such values do not reflect the fair market value of the relevant OTC swap transactions, the value of such OTC swap transactions will be determined in good faith by the Board of Directors or by such other method as it deems in its discretion appropriate.
- g) The valuation price of a money market instrument which has a maturity or remaining term to maturity of less than 12 months and does not have any specific sensitivity to market parameters, including credit risk, shall, based on the net acquisition price or on the price at the time when the investment's remaining term to maturity falls below 12 months, be progressively adjusted to the repayment price while 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) Units or shares of UCITS or other UCIs shall be valued on the basis of their most recently calculated net asset value, where necessary by taking due account of the redemption fee. Where no net asset value and only buy and sell prices are available for units or shares of UCITS or other UCIs, the units or shares of such UCITS or other UCIs may be valued at the mean of such buy and sell prices.
- i) Fiduciary and fixed-term deposits shall be valued at their respective nominal value plus accrued interest.

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

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

Investments which are difficult to value (in particular those which are not listed on a secondary market with a regulated price-setting mechanism) are valued on a regular basis using comprehensible, transparent criteria. For the valuation of private equity investments, the Company may use the services of third parties which have appropriate experience and systems in this area. The Company's Board of Directors and the auditor shall monitor the comprehensibility and transparency of the valuation methods and their application.

The Net Asset Value of a Share 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 22, "Subfunds".

The Net Asset Value of one or more Share Classes may also be converted into other currencies at the mid-market rate should the Company's Board of Directors decide to effect the issue and redemption of Shares in one or more other currencies. Should the Board of Directors determine such currencies, the Net Asset Value of the respective Shares 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 Company shall be calculated in US dollars.

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

In order to protect existing Shareholders and subject to the conditions set out in Chapter 22, "Subfunds", the Net Asset Value per Share Class of a Subfund may be adjusted upwards or downwards by a maximum percentage ("swing factor") indicated in Chapter 22, "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 Shareholders 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. Shareholders 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 22, "Subfunds", the Company'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 Share Classes that may only be acquired by institutional investors (according to Article 174 (2) c) of the Law of 17 December 2010), this tax rate is 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 Company's income is not taxable in Luxembourg.

With the entry into force of the Luxembourg Law of 21 June 2005, European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments has been subsumed into Luxembourg law with effect from 1 July 2005. In accordance with this Directive, withholding tax is payable on interest income which, pursuant to said Directive, accrues from distributions or from the transfer, exchange or redemption of Shares 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 Shares.

The rate at which such interest is taxable is of 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 21 June 2005, entails the forwarding of information concerning the interest payments to the tax authorities of the member state in which the beneficial owner of the shares is resident.

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

According to the legislation currently in force, Shareholders 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 a Shareholder's country of citizenship, residence or temporary domicile, and in accordance with his or her personal circumstances.

Investors should therefore ensure they are fully informed in this respect and should, if necessary, consult their own financial advisers.

### **ii. Expenses**

Apart from the above-mentioned "taxe d'abonnement", the Company shall bear the costs specified below, unless otherwise specified in Chapter 22, "Subfunds":

- a) All taxes which may be payable on the assets, income and expenses chargeable to the Company;
- b) Standard brokerage and bank charges incurred by the Company 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 Values of the relevant Share Classes during that month. The management fee may be charged at different rates for individual Subfunds and Share Classes within a Subfund or may be waived in full. Charges incurred by the Management Company in relation to the provision of investment management shall be paid out of the management fee. Further details of the management fees are included in Chapter 2, "Summary of Share Classes".
- d) Fees payable to the Custodian Bank, which are charged at rates agreed from time to time with the 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 transaction fees and the fees of the Custodian Bank's correspondents may be charged additionally;
- e) Fees payable to the Paying Agents (in particular, a coupon payment commission), Transfer Agents and the authorized representatives in the countries of registration;
- f) All other charges incurred for sales activities and other services rendered to the Company but not mentioned in the present section; for certain Share 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 Company or the Custodian Bank as a result of measures taken on behalf of the Shareholders;
- i) The cost of preparing, depositing and publishing the Articles of Incorporation and other documents in respect of the Company, 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 Company or with offering the Shares; the cost of printing and distributing annual and semi-annual reports for the Shareholders 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; any license fees payable to index providers; the cost of book-keeping and calculating the daily Net Asset Value, the cost of notifications to Shareholders including the publication of

prices for the Shareholders, the fees and costs of the Company's auditors and legal advisers, and all other similar administrative expenses, and other expenses directly incurred in connection with the offer and sale of Shares, including the cost of printing copies of the aforementioned documents or reports as are used in marketing the Company's Shares. The cost of advertising may also be charged.

### iii. Performance Fee

In addition to the aforementioned costs, the Company will, if applicable, also bear performance-related fees ("Performance Fee"), if specified for the respective Subfund in Chapter 2, "Summary of Share Classes" and/or defined in Chapter 22, "Subfunds".

All recurring fees shall first be deducted from investment income, then from the gains from securities transactions and then from the Company's assets. Other non-recurring fees, such as the costs for establishing the Company and (new) Subfunds or Share 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 Company closes on 30 November of each year.

## 11. Appropriation of Net Income and Capital Gains

### Capital-growth Shares

At present, no distribution is envisaged for capital-growth Share Classes of the Subfunds (see Chapter 5, "Investment in Credit Suisse Solutions (Lux)") and the income generated shall be used to increase the Net Asset Value of the Shares after deduction of general costs. However, within the scope of statutory provisions the Company may 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 Shares

The Board of Directors is entitled to determine the payment of interim dividends and decides to what extent and at what time distributions are to be made from the net investment income attributable to each distributing Share Class of the Subfund in question (see Chapter 5, "Investment in Credit Suisse Solutions (Lux)"). In addition, gains made on the sale of assets belonging to the Subfund may be distributed to investors. Further distributions may be made from the Subfund's assets in order to achieve an appropriate distribution ratio.

Appropriation of the annual result as well as other distributions are proposed by the Board of Directors to the Annual General Meeting and are determined by the latter.

Distributions may on no account cause the Company's capital to fall below the minimum amount prescribed by law.

### General Information

Payment of income distributions shall be made in the manner described in Chapter 5.iii, "Redemption of Shares".

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 Company and the Subfunds have been established for an unlimited period, unless otherwise specified in Chapter 22, "Subfunds. However, an extraordinary General Meeting of Shareholders may dissolve the Company. To be valid, such a resolution shall require the minimum quorum prescribed by law. If the capital of the Company falls below two thirds of the minimum amount, the Board of Directors must submit the question of the Company's dissolution to a General Meeting of Shareholders for which no quorum is prescribed and which may pass a resolution by

a simple majority of the Shares represented. If the capital of the Company falls below one quarter of the minimum amount, the Board of Directors must submit the question of the Company's dissolution to a General Meeting of Shareholders. In such cases, no quorum is required; Shareholders holding one quarter of the Shares at the General Meeting may pass a resolution to dissolve the Company. The minimum capital required under Luxembourg law is currently EUR 1,250,000. If the Company is liquidated, the liquidation shall be effected in accordance with Luxembourg law, the liquidator(s) named by the General Meeting of Shareholders shall dispose of the Company's assets in the best interests of the Shareholders and the net liquidation proceeds of the Subfunds shall be distributed pro rata to the Shareholders of these Subfunds.

A Subfund may be liquidated and Shares in the Subfund concerned may be subject to compulsory redemption based on:

- a resolution passed by the Company's Board of Directors, as the Subfund may no longer be appropriately managed within the interests of the shareholders, or
- a resolution passed by the General Meeting of Shareholders of the Subfund in question; the Articles of Incorporation specify that the quorum and majority requirements laid down by Luxembourg law in respect of resolutions to amend the Articles of Incorporation shall apply to such General Meetings.

Any resolution passed by the Company's Board of Directors to dissolve a Subfund shall be published in accordance with Chapter 14, "Information for Shareholders". The Net Asset Value of the Shares of the relevant Subfund will be paid out on the date of the mandatory redemption of the Shares.

Any liquidation and redemption proceeds that cannot be distributed to the Shareholders at the closure of the liquidation shall be deposited with the "Caisse de Consignation" in Luxembourg until the statutory period of limitation has elapsed.

In accordance with the definitions and conditions set out in the Law of 17 December 2010, any Subfund may, either as a merging Subfund or as a receiving Subfund, be subject to mergers with another Subfund of the Company or another UCITS, on a domestic or cross-border basis. The Company itself may also, either as a merging UCITS or as a receiving UCITS be subject to cross-border and domestic mergers.

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

In all cases, the Board of Directors of the Company will be competent to decide on the merger. Insofar as a merger requires the approval of the Shareholders pursuant to the provisions of the Law of 17 December 2010, the meeting of Shareholders deciding by simple majority of the votes cast by Shareholders present or represented at the meeting is competent to approve the effective date of such a merger. No quorum requirement will be applicable. Only the approval of the Shareholders of the Subfunds concerned by the merger will be required.

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

## 13. General Meetings

The Annual General Meeting ("AGM") of Shareholders is held in Luxembourg on the second Wednesday of March each year at 3 p.m. (Central European Time). If this date is not a Banking Day in Luxembourg, the AGM will take place on the next Banking Day. Notices relating to the General Meetings will be published in the newspapers mentioned in Chapter 14, "Information for Shareholders". Meetings of the Shareholders of a particular Subfund may only pass resolutions relating to that Subfund.

#### 14. Information for Shareholders

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

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

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

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

Investors may obtain the Prospectus, the Key Investor Information Document, the latest annual and semi-annual reports and copies of the Articles of Incorporation free of charge from the registered office of the Company or 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 Company's registered office during normal business hours.

#### 15. Management Company

The Company has designated Credit Suisse Fund Management S.A. to act as its Management Company. Credit Suisse Fund Management S.A. was incorporated in Luxembourg as CSAM Invest Management Company on 9 December 1999 as a joint-stock company for an indefinite period and is registered at the Luxembourg Trade and Companies Register under no. B 72 925. The Management Company has its registered office in Luxembourg, at 5, rue Jean Monnet. Its capital, on the date of this prospectus, is CHF 250.000, and its equity is CHF 56.300.000. The share capital of the Management Company is held by Credit Suisse Holding Europe (Luxembourg) S.A., Luxembourg.

The Management Company is subject to the provisions of Chapter 15 of the Law of 17 December 2010 and also manages other undertakings for collective investment.

#### 16. Investment Manager and Sub-Investment Manager

The Company's Board of Directors is responsible for investing the Subfunds' assets. The Board of Directors has appointed the Management Company to implement the Subfunds' investment policy on a day-to-day basis.

In order to implement the policy of each Subfund, the Management Company may delegate, under its permanent supervision and responsibility, the management of the assets of the Subfunds to one or more Investment Managers.

Pursuant to the Investment Management Agreement, the Investment Manager has discretion, on a day-to-day basis and subject to the overall control and ultimate responsibility of the Management Company, to purchase and sell securities and otherwise to manage the relevant Subfund's portfolios.

The Investment Manager may appoint in accordance with the investment management agreement entered into between the Investment Manager and the Management Company one or more Sub-Investment Managers for each Subfund to assist it in the management of the individual portfolios. The Investment Manager and Sub-Investment Manager/s for the respective Subfunds are indicated in Chapter 22, "Subfunds". The Management Company may at any time appoint an Investment Manager other than the one/s named in Chapter 22, "Subfunds", or may terminate the relation with any of the Investment Manager/s. The investors of

such Subfund will be informed and the Prospectus will be modified accordingly.

#### 17. 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 33 and 34 of the Law of 17 December 2010. The Custodian Bank is entrusted with the safekeeping of the assets of the Company. It must ensure that the sale, issue, repurchase and cancellation of Shares effected by or on behalf of the Company are carried out in accordance with the Law of 17 December 2010 or the Articles of Incorporation. Moreover, the Custodian Bank shall ensure that in transactions involving the Company's assets, any consideration is remitted to it within the usual time limits and that the Company's income is applied in accordance with its Articles of Incorporation.

With the consent of the 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 Company. The Custodian Bank may keep securities in collective safekeeping accounts at depositaries selected by the Custodian Bank with the consent of the Company.

The Company and the Custodian Bank may terminate the Custodian Bank agreement at any time in writing by giving three months' notice. The Company may, however, 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 Company have been transferred to the new custodian bank.

#### 18. Central Administration

The Management Company has transferred the administration of the Company to Credit Suisse Fund Services (Luxembourg) S.A., a service company registered in Luxembourg, which belongs to Credit Suisse Group AG, and has authorized the latter in turn to delegate tasks wholly or partly to one or more third parties under the supervision and responsibility of the Management Company.

As the Central Administration, Credit Suisse Fund Services (Luxembourg) S.A., will assume all administrative duties that arise in connection with the administration of the Company, including the issue and redemption of Shares, valuation of the assets, calculation of the Net Asset Value, accounting and maintenance of the register of Shareholders.

#### 19. Regulatory Disclosure

##### Conflicts of Interest

The Management Company, the Investment Managers, 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 Company invests. The Company 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 Manager earn for managing the Company, 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 Company.

Moreover, the Management Company or the Investment Managers are not prohibited to purchase or to provide advice to purchase any products on behalf of the Company 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 Company as if effected on normal commercial terms negotiated at arm's length. Entities of the Affiliated Person act as counterparty and as the 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.

The Affiliated Person performs several roles under the Index and any Index-linked products. Although the Affiliated Person will perform its obligations in a commercially reasonable manner, the Affiliated Person may face conflicts between these roles and its own interests.

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

Employees and Directors of the Affiliated Person may hold Shares in the Company. 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 Company 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 Company 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 Company's assets are exercised in the sole interests of the Company and its investors,
- Procedures to ensure that any investment activities on behalf of the Company are executed in accordance with the highest ethical standards and in the interests of the Company and its investors,
- Procedure on management of conflicts of interest.

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

#### **Complaints Handling**

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

The complaints handling procedure is available free of charge on the internet at "www.credit-suisse.com".

#### **Exercise of Voting Rights**

The Management Company will in principle not exercise voting rights attached to the instruments held in the Subfunds, except it is specifically mandated by the Company to do so, and in that case, it will only exercise voting rights in certain circumstances where it believes that the exercise of voting rights is particularly important to protect the interests of Shareholders. If mandated by the Company, 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 Shareholders free of charge on their request.

#### **Best Execution**

The Management Company acts in the best interests of the Company when executing investment decisions. For that purpose it takes all reasonable steps to obtain the best possible result for the Company, 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 Managers 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 Company draws the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Company, notably the right to participate in General Meetings of Shareholders if the investor is registered itself and in its own name in the registered account kept for the Company and its Shareholders by the Company's Central Administration. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

## **20. Main Parties**

### **Company**

Credit Suisse Solutions (Lux)  
5, rue Jean Monnet, L-2180 Luxembourg

### **Board of Directors of the Company**

- Luca Diener  
Managing Director, Credit Suisse AG, Zurich
- Lars Dieterle  
Director, Credit Suisse AG, Zurich
- Rudolf Kömen  
Director, Credit Suisse Fund Management S.A., Luxembourg
- Guy Reiter  
Director, Credit Suisse Fund Management S.A., Luxembourg
- Fernand Schaus  
Director, Credit Suisse Fund Management S.A., Luxembourg

### **Independent Auditor of the Company**

PricewaterhouseCoopers,  
400, route d'Esch, L-1014-Luxembourg

### **Management Company**

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

### **Board of Directors of the Management Company**

- Luca Diener  
Managing Director, Credit Suisse AG, Zurich
- Jean-Paul Gennari  
Managing Director, Credit Suisse Fund Services (Luxembourg) S.A., Luxembourg
- Rudolf Kömen  
Director, Credit Suisse Fund Management S.A., Luxembourg
- Guy Reiter  
Director, Credit Suisse Fund Management S.A., Luxembourg
- Ferenc Schnitzer  
Director, Credit Suisse AG, Zurich

### **Custodian Bank**

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

**Distributor**

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

**Central Administration**

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

## 21. Distribution of Shares

### Distribution of Shares in Germany

*No notification pursuant to Sect. 132 of the German Investment Act has been filed with respect to the following Subfund(s) and the shares in such Subfund(s) may therefore not be publicly distributed to investors in the Federal Republic of Germany:*

*Credit Suisse Solutions (Lux) Best of Inflation and Equity Opportunity  
Credit Suisse Solutions (Lux) Fund of Liquid Alternative Beta Funds  
Credit Suisse Solutions (Lux) FX Diversified Fund  
Credit Suisse Solutions (Lux) Multimanager Enhanced Fixed Income USD  
Credit Suisse Solutions (Lux) Multimanager Equity Emerging Markets  
Credit Suisse Solutions (Lux) Multimanager Equity Japan*

Deutsche Bank AG, Taunusanlage 12, D-60325 Frankfurt am Main, is the Company's Paying Agent in Germany.

Applications for the redemption and conversion of Shares which may be publicly distributed in Germany may be lodged with the Paying Agent.

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

The Paying Agent is also the Company's Information Agent 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 Company in Germany.

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

Details of the terms for new Subfunds, their issue prices and dates and other information in relation to the Company (including the Net Asset Value), together with the additional information specified in Chapter 14, "Information for Shareholders", may be obtained from the Information Agent in Frankfurt am Main or may be inspected there on each banking day.

Any required notices to Shareholders and the issue and redemption prices, shall be published in the "Börsen-Zeitung" as a minimum. The Company's Board of Directors 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 Company or a Subfund; changes to the Articles of Incorporation 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 Board of Directors 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 Board'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 Shares in Austria

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

All payments intended for Shareholders may be channelled 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 Shares may be lodged with the Austrian Paying Agent.

Hard copies of the Prospectus, the Key Investor Information Document, the Articles of Incorporation, the audited annual report as well as the unaudited semi-annual report, together with the issue and redemption prices are available free of charge from the Austrian Paying Agent.

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

### Distribution of Shares 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 Articles of Incorporation, change of the Management Company or the Custodian Bank as well as the liquidation of the Company are published in the "Liechtensteiner Vaterland".

Prices are published on the electronic platform "www.swissfunddata.ch" each day on which Shares are issued and redeemed. At least twice a month, prices are published in the "Liechtensteiner Vaterland".

### Distribution of Shares in the United Kingdom

Subject to the section below, this Prospectus is available for general distribution in, from or into the United Kingdom because the Company is a recognized collective investment scheme pursuant to section 264 of the Financial Services and Markets Act 2000.

It should be noted, however, that only the Subfunds Credit Suisse Solutions (Lux) DJ CS AllHedge Index, Credit Suisse Solutions (Lux) Prima Growth, Credit Suisse Solutions (Lux) Prima Multi-Strategy and Credit Suisse Solutions (Lux) Megatrends have so far been notified to the United Kingdom Financial Services Authority (FSA). Consequently, the other Subfunds are not generally available to investors in the United Kingdom (unless the exception applicable to the distribution of unregulated collective investment schemes is applied).

The Company's contact in the United Kingdom ("Facilities Agent") is Credit Suisse Asset Management Limited, London. Applications for the redemption or exchange of the Company's shares may be submitted to the Facilities Agent.

Any correspondence with the Facilities Agent should be directed to Credit Suisse Asset Management Limited, One Cabot Square, London E14 4QJ, United Kingdom.

The Prospectus, the Key Investor Information Document and copies of the Articles of Incorporation, audited annual and semi-annual report, in addition to issuing, redemption and exchange prices, are available free of charge from the Facilities Agent.

The Management Company will provide for each United Kingdom investor, for each accounting period, information about the Subfunds' income on the website [www.credit-suisse.com](http://www.credit-suisse.com) within six months of the first day after the relevant accounting period, enabling them to complete their United Kingdom tax returns. Investors without access to the internet may obtain this information directly (by post or telephone) from the customer service officer.

Prices are published daily at [www.credit-suisse.com](http://www.credit-suisse.com).

All communications to the Shareholders are notified to the FSA and the Shareholders in compliance with Luxembourg law. The Company's Board of Directors may also place announcements in other newspapers and periodicals of its choice.

Investors can obtain information on the aforementioned Subfunds accessible to investors in the United Kingdom, plus information on the taxation of the investments, in the Supplementary Prospectus appended to this prospectus.

Investors in the United Kingdom are hereby notified that the rules issued by the FSA in the context of the Financial Services and Markets Act 2000 are not applicable to the Company's investment activities. In particular, the investor protection rules for private investors (e.g. those granting investors a right of revocation or the right to withdraw from certain investment contracts) are not applicable; nor do the provisions of the Financial Services Compensation Scheme apply to an investment in the Company.

## 22. Subfunds

### Credit Suisse Solutions (Lux) Dow Jones Credit Suisse AllHedge Index

#### Investment Objective

The Investment Objective of the Subfund is predominantly to provide the Shareholders with a return linked to the performance of the Underlying Index (see description under the section "Description of the Underlying Index"), which is being derived from the Dow Jones Credit Suisse Hedge Fund Index family which aims to provide Shareholders with exposure to multiple hedge funds by tracking the relevant benchmark index specified for the Subfund (The Dow Jones Credit Suisse AllHedge Index was formerly known as the Credit Suisse/Tremont AllHedge Index and the Dow Jones Credit Suisse Hedge Fund Index was formerly known as the Credit Suisse/Tremont Hedge Fund Index).

#### Investment Principles

In order to achieve the Investment Objective, the Subfund will enter into one or more derivatives contracts in the form of swaps. The Subfund shall select one of the following options – which can change over time:

**Option 1 – Unfunded/asset swaps:** the Subfund shall (i) invest the subscription net proceeds collected when issuing Shares of the Subfund into transferable securities and any other eligible assets (the "**Subfund's Assets**") in accordance with the applicable investment restrictions as laid down in Chapter 6, "Investment Restrictions" of the general part of the Prospectus and (ii) enter into an asset swap (the "Asset Swap") with a predetermined investment term on an arm's length basis with a first class financial institution such as Credit Suisse International acting as the swap counterparty (the "Swap Counterparty"). The purpose of the Asset Swap is to exchange the returns of the Subfund's Assets against the performance of the relevant Underlying Index. Accordingly, the Subfund is not, and ultimately the Shareholders are not entitled to receive any income due and received from the Subfund's Assets.

**Option 2 – Funded swaps:** the Subfund may invest the net proceeds of any issue of Shares in one or more derivative contracts in the form of funded swaps (the "Funded Swap" or, collectively, "Funded Swaps") entered into with a first class financial institution such as Credit Suisse International acting as the swap counterparty. The purpose of the Funded Swap is to exchange the net proceeds against the performance of the relevant Underlying Index. The Subfund shall enter into such Funded Swaps in accordance with the advice of the Investment Manager on an arm's length basis.

The determination between options 1 and 2 shall be made by the Investment Manager of the Company in the best interest of the Shareholders of the Subfund. Copies of the OTC swap confirmation letters are available upon request from the Company's registered office.

A sale of some of the Subfund's Assets and/or a partial termination of the Asset Swap or, alternatively, of the Funded Swap(s), may occur to reflect the redemption of Shares in the Subfund.

Should at any time other forms of derivatives be more efficient than Asset Swaps or Funded Swaps in order to gain an exposure to the Underlying Index, the Investment Manager may opt for an alternative form of derivatives in the best interest of the Shareholders of the Subfund.

When applying the limits specified in Chapter 6, "Investment Restrictions" of the Prospectus to the OTC swap transactions (either an Asset Swap or Funded Swap), reference should be made to the net counterparty risk exposure. Thus, the Company will reduce the gross counterparty risk of the Subfund's OTC swap transactions by causing the swap counterparty (CSi) to deliver to the Subfund collateral in the form of (i) liquid assets, (ii) debt instruments having an external rating at least equivalent to investment grade, (iii) quoted equities or convertible bonds being part of a main index, (iv) shares or units issued by money market UCITS rated AAA or its equivalent and (v) shares or units issued by bond UCITS rated AAA or its equivalent and provided that such UCITS do not exchange the performance of the bonds against the performance of another asset class. Such collateral will be kept by a first class financial institution in a segregated account opened on behalf of the Subfund and shall be enforceable by the Company for the account of the Subfund at all times and will be marked to market on a daily basis.

The Subfund may also invest on an ancillary basis in listed certificates referenced to the Dow Jones Credit Suisse AllHedge Index and/or any other similar hedge fund index in accordance with the applicable investment restrictions as laid down in Chapter 6, "Investment Restrictions" of the general part of the Prospectus and subject to the prior approval of the Luxembourg supervisory authority.

#### Description of the Underlying Index

The Underlying Index is an Investable, asset-weighted hedge fund index derived from the market leading Dow Jones Credit Suisse Hedge Fund Index (the "Index") and is a composite of all sectors of the hedge fund industry (AllHedge).

The Underlying Index is a rules-based and fully investable index. The Index can be used to construct portfolios according to customers' risk/return preferences and actively participate in the tactical asset allocation process.

The Underlying Index adheres to the following criteria:

- Faithful representation of the defined universe of funds
- Rules-based index selection criteria
- Transparency, including disclosure of the Index Members and all selection criteria
- Oversight by an index committee that approves all changes to rules governing construction and calculation.

The Underlying Index is constructed inter alia according to the following criteria determining Eligible Funds:

- Meet the eligibility and reporting criteria of the market leading Dow Jones Credit Suisse Hedge Fund Index, including monthly performance disclosure and audited financial statements;
- Are open for new investment; and
- Provide regular liquidity.

Member Funds are determined by the application of rules based construction criteria and generally represent the largest eligible funds in the relevant sector of the investable hedge fund universe.

An ongoing monitoring process ensures proper classification and satisfaction that each Member Fund meets the eligibility criteria. The changing characteristics of the hedge fund universe are accounted for through periodic revisions, rebalances, and weighting schemes to ensure the continued representation of the evolving underlying market. These revisions and rebalances are explicitly documented in the index rules and are publicly available. In order to maximize representation and adequately reflect the hedge fund universe and any underlying funds contributions.

The Underlying Index ensures transparency through a publicly available index methodology, valuations, and member funds, available on the Index website, [www.hedgeindex.com](http://www.hedgeindex.com).

Particular features of the Underlying Index:

- **Dow Jones Credit Suisse AllHedge Index ("AllHedge"):** AllHedge is a diversified benchmark of the hedge fund universe, designed to reflect the dynamic characteristics of the industry. To obtain a high degree of diversification, AllHedge is broadly diversified both across strategies and within the sub-strategies to avoid being overconcentrated in individual hedge funds or sub-strategies. Maximum weight constraints set for individual funds are intended to ensure diversification. AllHedge represents the hedge fund universe by a smaller representative sample population. To be representative, the strategies within AllHedge are weighted according to the weights of the broad Dow Jones Credit Suisse Hedge Fund Index. Each strategy is represented by the respective Dow Jones Credit Suisse AllHedge Strategy Indexes (formerly known as the Credit Suisse/Tremont Sector Invest Index), each of which is a rules based and diversified Investable hedge fund index.

Weekly performance levels of the Underlying Index used for the determination of the net asset value of the Subfund will be published on the Index Website.

An Index Calculation Fee of 0.07% per month is deducted from the level of the Underlying Index.

Defined terms relating to the Index and the Underlying Index not defined in this Prospectus have the meaning ascribed to them in the "Dow Jones Credit Suisse AllHedge Index Rules". Further information concerning each of the above Underlying Index can be found on [www.hedgeindex.com](http://www.hedgeindex.com).

#### **IMPORTANT INFORMATION RELATED TO THE UNDERLYING INDEX**

The Dow Jones Credit Suisse Hedge Fund Indexes are a product of Dow Jones Indexes, a licensed trademark of CME Group Index Services LLC ("CME Indexes") and Credit Suisse Index Co., LLC, and has been licensed for use. "Dow Jones®", "Dow Jones Indexes" and "Dow Jones Credit Suisse Hedge Fund Index<sup>SM</sup>" are service marks of Dow Jones Trademark Holdings, LLC ("Dow Jones") and Credit Suisse Group AG, as the case may be, have been licensed to CME Group Index Holdings LLC ("CME") and have been sublicensed for use for certain purposes by the Company, and the Subfunds. Dow Jones, CME Indexes and their respective affiliates have no relationship to the Company and the Subfunds other than the licensing of the Dow Jones Credit Suisse Hedge Fund Index<sup>SM</sup> (the "Index") and the related service marks for use in connection with the Company and Subfunds.

#### **Dow Jones, CME Indexes and their respective affiliates do not:**

- Sponsor, endorse, sell or promote the Company or the Subfunds.
- Recommend that any person invest in the Company or the Subfunds.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Company or the Subfunds.
- Have any responsibility or liability for the administration, management or marketing of the Company or the Subfunds.
- Consider the needs of the Company or the Subfunds or the owners of the Company or the Subfunds in determining, composing or calculating the Index or have any obligation to do so.

**Dow Jones, CME and their respective affiliates will not have any liability in connection with the Company or the Subfunds. Specifically,**

- **Dow Jones, CME and their respective affiliates do not make any warranty, express or implied, and Dow Jones, CME and their respective affiliates disclaim any warranty about:**
- **The results to be obtained by the Company or the Subfunds, the owner of the Company or the Subfunds or any other person in connection with the use of the Index and the data related to the Index;**
- **The accuracy or completeness of the Index or related data;**
- **The merchantability and the fitness for a particular purpose or use of the Index or related data;**

- **Dow Jones, CME and their respective affiliates will have no liability for any errors, omissions or interruptions in the Index or related data;**
- **Under no circumstances will Dow Jones, CME and their respective affiliates be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if such party is notified of the possibility that such losses or damages may occur.**

**The license agreement for the use of the Index and trademarks referred to above is solely for the benefit of the parties identified in the license agreement and not for any third parties.**

#### **Global Exposure**

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

#### **Information relating to the Subfund and Shares**

Subscription and redemption orders must be received by the Central Administration at least three (3) Banking Days prior to the relevant Valuation Day before 12:00 p.m. (Central European Time) (a "Dealing Day") in order to be processed on the basis of the Net Asset Value per Share calculated on such Valuation Day. Subscription monies must be received by the Custodian Bank not later than two (2) Banking Days after the relevant Valuation Day on which the issue price of such Shares is determined. Payment of the redemption proceeds shall be made within two (2) Banking Days following the calculation of the redemption price. The Valuation Day is defined as being every Thursday which is a banking day in London and Luxembourg. If such a day is a holiday in London or Luxembourg, the Valuation Day will be the next following business day.

If London and/or New York are closed on any business day between the Dealing Day (inclusive) and the Valuation Day (exclusive), the calculation of the Net Asset Value per Share shall be deferred without undue delay until information required for the valuation shall be normally available.

If on any Valuation Day the aggregate transactions in Shares of the Subfund results in a net increase or decrease of Shares which exceeds a threshold set by the Company's Board of Directors from time to time for the Subfund, the net asset value of the Subfund will be adjusted by an amount of respectively 0.50% in case of a net increase of Shares and 1.50% in case of a net decrease of Shares which reflects both the dealing costs that may be incurred by the Subfund and the estimated bid/offer spread of (i) the assets in which the Subfund invests and (ii) the constituents of the Underlying Index. The adjustment will be an addition when the net movement results in an increase of all Shares of the Subfund and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows.

The Company has permitted Credit Suisse Fund Services (Luxembourg) S.A. (in its capacity as Central Administration) to proceed, on the basis of pre-determined rules fixed in the best interest of the Shareholders, with applications for subscriptions and redemptions made after the above cut-off time on the same conditions as if they would have been received prior to the above cut-off time, provided that they are executed with respect to order matching purposes only.

#### **Net Redemption Orders Exceeding 10% of the Net Asset Value on a Single Valuation Day**

In the event that on any Valuation Day the net redemption orders (i.e., after deduction of subscription orders) in respect of the Subfund do exceed 10% of the net asset value of the Subfund, the Board of Directors may scale down pro rata each redemption order with respect to such Valuation Day so that no more than 10% of the net asset value of the Subfund be redeemed or converted on such Valuation Day. To the extent that any redemption order is not given full effect on such Valuation Day by virtue of the exercise of the power to prorate redemption orders, it shall be treated with respect to the unsatisfied balance thereof as if a further request has been made by the Shareholder in respect of the next Valuation Day. In the event that on such next Valuation Day the net redemption orders in respect of the Subfund do exceed 10% of the net asset

value of the Subfund, the same procedure will be applied. In no circumstances there will be more than two consecutive deferrals.

**Accumulated Net Redemption Orders over a Calendar Quarter Exceeding Respectively 10% and 20% of the Net Asset Value as of Beginning of the Calendar Quarter**

In the event that on any calendar quarter the aggregate net redemption orders (incl. aggregated net subscriptions over the quarter) do exceed 10% of the net asset value of the initial total net assets of the Subfund as of the beginning of the relevant calendar quarter, the net asset value of the Subfund will be decreased by an amount of 3% on the relevant Valuation Day (instead of 1.5% as referred to above under "Information relating to the Subfund and Shares").

The above amounts reflect both the dealing costs that may be incurred by the Subfund and the increased estimated bid/offer spread of (i) the assets in which the Subfund invests and (ii) the constituents of the Underlying Index. In the event that on any calendar quarter the aggregate net redemption orders (incl. aggregated net subscriptions over the quarter) do exceed 20% of the net asset value of the initial total net assets of the Subfund as of the beginning of the relevant calendar quarter, the net asset value of the Subfund may be determined on the basis of bid prices (instead of the above fixed spread) reasonably quoted to market participants.

**Investment Manager**

The Management Company has appointed Credit Suisse Asset Management, LLC, One Madison Avenue, New York, NY 10010, USA, as Investment Manager to assist with the management of the Subfund.

**Risk Information**

In addition to the risks listed in Chapter 7, "Risk factors", potential investors should be aware of specific risks relating to the above Subfund and its Underlying Index.

Hedge funds – in spite of their name – do not necessarily have anything to do with hedging. Hedge funds comprising the Underlying Index are non-traditional funds, which can be described as forms of investment funds, companies and partnerships that use a wide variety of trading strategies including position taking in a range of markets and which employ an assortment of trading techniques and instruments, often including short-selling, derivatives and significant leverage. Three of the major risks in investing in hedge funds may, therefore, be their extensive use of short selling, derivatives and leverage.

Furthermore,

- pro forma past performance of the Underlying Index is not a guide to future performance;
- hedge funds comprised in the Underlying Index may use borrowings for the purpose of investing. The use of borrowing creates special risks and may significantly increase the investment risk. Borrowing creates an opportunity for greater total return but, at the same time, will increase the exposure to capital risk and interest costs;
- as part of their investment methodology, hedge funds may use both exchange traded and over-the-counter derivative contracts such as futures, options, contracts for differences and equity swaps. These instruments are highly volatile and expose the fund to a high risk of loss. The low margin deposit normally required establishing a position for such instruments permits a high level of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of the contract may result in a profit or loss, which is high in proportion to the amount of the funds, actually placed on margin and may result in a non-predictable further loss exceeding any margin deposited. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. To the extent that a hedge fund writes uncovered options on securities, it could incur an unlimited loss;
- additional key characteristics of hedge funds are (i) limited subscription offer and redemption possibilities with long

notification periods and (ii) fund managers of hedge funds and portfolio managers receiving performance oriented incentive fees, which may cause them to undertake riskier, or more speculative investments than if such fee was not being paid and (iii) the dependence on key employees of the hedge fund (e.g. fund managers);

- hedge funds are very often domiciled in offshore-countries where the standards of regulation and, in particular, the standards of supervision do not meet the respective standards of Luxembourg. Many hedge funds do not adopt fixed guidelines for diversification of their investments and, therefore, may be heavily concentrated in certain industries or markets. Hedge funds may invest in emerging markets which involve risks connected with a certain degree of political instability and relatively unpredictable financial markets and economic growth patterns, such as a greater risk of expropriation and nationalization, confiscatory taxation, restrictions on repatriating funds, etc. ;
- exposure to the Underlying Index is achieved through an investment in a swap. Because the swap agreement contains adjustment provisions, the purpose of which is to ensure that payments by the Swap Counterparty to the Subfund in the event of extraordinary disruption events affecting the Index (as further described in the "Dow Jones Credit Suisse AllHedge Index Rules" and/or swap agreement) are equivalent to the redemption proceeds that the Swap Counterparty could receive using commercially reasonable efforts to redeem a corresponding investment in a notional portfolio replicating the composition and return of the Index and given the costs that may be involved in their utilisation, the value of the swap (which ultimately determine the return the Shareholders will receive) may not exactly track the level of the Underlying Index. Moreover the Subfund may invest on an ancillary basis in listed certificates referenced to the Dow Jones Credit Suisse AllHedge Index and/or any other similar hedge fund index so that the respective performance of the Subfund may significantly deviate from the performance of the Underlying Index. The Board of Directors shall ensure that any determinations under the adjustment provisions shall be applied with due skill, care and diligence in the best interests of the shareholders;
- large net redemption orders on any Valuation Day exceeding 10% of the net asset value of the Subfund may result in deferrals of redemption orders and in the event that on any calendar quarter the aggregate net redemption orders (incl. aggregated net subscriptions over the quarter) do exceed respectively 10% and 20% of the net asset value of the initial total net assets of the Subfund as of the beginning of the relevant calendar quarter, the net asset value of the Subfund will be decreased respectively by an amount of 3% on the relevant Valuation Day (instead of 1.5% as referred to above under "Information relating to the Subfunds and Shares") and by an amount reflecting bid prices reasonably quoted to market participants (see sections "Net Redemption Orders Exceeding 10% of the NAV on a Single Valuation Day" and "Accumulated Net Redemption Orders over a Calendar Quarter Exceeding Respectively 10% and 20% of the NAV as of Beginning of the Calendar Quarter"). In addition, the calculation of the net asset value and the subscription, conversion and redemption of Shares may be temporarily suspended when the prices of a substantial portion of the constituents of the relevant Underlying Index cannot promptly or accurately be ascertained or when a disposal of a substantial portion of the assets attributable to the Subfund and/or a disposal of a substantial portion of the constituents of the Underlying Index by the swap counterparty in order to finance its payment obligations under the swap transaction is not practicable under normal market conditions (see "Suspension of Calculation of the Net Asset Value and of the Issue, Redemption and Conversion of Shares").

**Investor Profile**

The Subfund is suitable for investors with a relatively long investment horizon who wish to participate in a diversified market barometer of the hedge fund universe and who are willing to bear the risks associated with an exposure to the investable hedge fund index universe.

## Credit Suisse Solutions (Lux) Best of Inflation and Equity Opportunity

The Reference Currency in which the performance and net asset value of the Subfund are calculated is EUR. Investments may be denominated in any currency.

### Investment Objective

The investment objective of the Subfund is to provide investors with the following return:

- during the initial investment period (the “**Initial Investment Term**”) starting as from the Launch Date on 27<sup>th</sup> October 2008 until the beginning of the Investment Term (as defined below), the Subfund will provide investors with a return generated by bank deposits and/or fixed term bank deposits and/or ECPs ;
- over a 6 years investment period starting on 27 February 2009 (the “**Investment Term**”) ending up on 27 February 2015 (the “**Maturity Date**”):
  - during the first 5 years of the Investment Term, the Subfund seeks to provide a steady income in the form of an annual inflation coupon (the “**Annual Inflation Coupon**”) linked to the Eurostat Eurozone Harmonised Indices of Consumer Prices (“**HICP**”), which are used in the assessment of inflation in the European Union. The Annual Inflation Coupon is further described below under the section “Annual Inflation Coupons”;
  - at the Maturity Date the Subfund will pay the best of (i) Annual Inflation Coupon in respect of the sixth year and (ii) the performance of the S&P/MIB Index (the “**Index**”) over the Investment Term. The participation to the Index will be 60% and its performance will be capped at a maximum upside percentage of 30%. In addition, the Subfund will provide the Shareholders with a protection of the capital invested aiming to return to the Shareholders at the Maturity Date an amount at least equal to the initial offering price as specified above under Chapter 5, “General Information on the Shares”. The payments that will be made at the Maturity Date correspond to the “**Final Redemption Amount**” as further described below under the section “Final Redemption Amount”.

The Subfund will follow an investment strategy that aims at providing investors with a predefined payout upon the Maturity Date.

The ability to provide investors with such a predefined payout is dependent upon a number of parameters, including certain market movements between the determination of the payout upon the inception of the Subfund and the moment the Subfund is launched.

In order to avoid adverse market movements which could alter the payout structure between the Subfund’s structuring and start of the Investment Term, the Subfund may take over, at the beginning of the Investment Term, pre-hedging arrangements (if any) which have been agreed upon by the Management Company on behalf of the Subfund to the extent and size required to deliver the predefined payout over the Investment Term and in accordance with the Chapter 6, “Investment Restrictions” of the Prospectus.

The cost per Share of such pre-hedging transactions will be equal to the difference between the notional price per Share fixed at the time of the entering into the pre-hedging arrangements and the value per Share of the Subfund’s portfolio (including such pre-hedging transactions) on 27 February 2009 corresponding to the beginning of the Investment Term. This cost (hereafter “**Pre-hedging Cost**”) represents the cost of the Swap Counterparty bearing the market risk of entering into such pre-hedging arrangements prior to the 27 February 2009. Such Pre-hedging Cost will be positive and thus borne by the Subfund’s Shareholders when the value per Share of the Subfund’s portfolio on 27 February 2009 is lower than the notional price per Share fixed at the time of the entering into the pre-hedging arrangements. In the event that the value per Share of the Subfund’s portfolio on 29 December 2008 is higher than the notional price per Share fixed at the time of the entering into the pre-hedging arrangements, the Pre-hedging Cost will be negative, meaning that it will constitute a profit benefiting to the Subfund’s Shareholders.

The Pre-hedging Cost might be progressively accounted for (entirely or partially) in the relevant swap transaction (as further described

below) and impact accordingly the Net Asset Value per Share on a linear basis. The Pre-Hedging Cost will accordingly be either written off (when positive) or accrued (when negative), as appropriate, over a maximum period of six months of time starting at the beginning of the Investment Term. The above accounting treatment may be interrupted at any time. Determinations regarding the accounting treatment will be made in the best interest of Shareholders.

### Investment Principles

In order to achieve the Investment Objective, the Subfund will enter into one or more derivatives contracts in the form of swaps. The Subfund shall select one of the following options – which can change over time:

**Option 1 – Unfunded/asset swaps:** the Subfund shall (i) invest the net subscription proceeds collected when issuing Shares into debt securities issued by corporate and financial institutions that have a credit rating of at least “investment grade” at the time of the investment, such rating being subject to adverse classification (downgrading) thereafter, and money market funds (the “**Subfund’s Assets**”) in accordance with the applicable investment restrictions as laid down in the Chapter 6 “Investment Restrictions” of the general part of the Prospectus and (ii) enter into in one or more derivative contracts in the form of asset swaps (the “**Asset Swap**” or, collectively, “**Asset Swaps**”) with a predetermined investment term and on an arm’s length basis with a first class financial institution such as Credit Suisse International acting as the swap counterparty (the “**Swap Counterparty**”). The purpose of the Asset Swap(s) is to exchange all or part of the returns of the Subfund’s Assets against the performance of the Annual Inflation Coupons and Final Redemption Amount. Accordingly, the Subfund is not, and ultimately the Shareholders are not entitled to receive any income due and received from the Subfund’s Assets, unless to the extent that some of the Subfund’s Assets are not exchanged under the Asset Swap(s).

**Option 2 – Funded swaps:** the Subfund shall invest the net subscription proceeds collected when issuing Shares in money market funds and one or more derivative contracts in the form of funded swaps (the “**Funded Swap**” or, collectively, “**Funded Swaps**”) with a predetermined investment term and on an arm’s length basis with a first class financial institution such as Credit Suisse International acting as the swap counterparty. The purpose of the Funded Swap(s) is to exchange the net proceeds against the performance of the Annual Inflation Coupons and Final Redemption Amount. The Subfund shall enter into such Funded Swap(s) in accordance with the advice of the Investment Manager.

The determination between options 1 and 2 or a combination of both or a total or partial switch from one option to the other during of the life of the Subfund shall be made by the Investment Manager of the Company in the best interest of the Shareholders of the Subfund. It is expected that the Asset Swap option will be retained at the Launch Date of the Subfund. Copies of the OTC swap confirmation letters are available upon request from the Company’s registered office.

A sale of some of the Subfund’s Assets and/or a partial termination of the Asset Swap(s) or, alternatively, of the Funded Swap(s), may occur to reflect the redemption of Shares in the Subfund.

Should at any time other forms of derivatives be more efficient than Asset Swaps or Funded Swaps in order to deliver the Annual Inflation Coupons and Final Redemption Amount, the Investment Manager may opt for an alternative form of derivatives in the best interest of the Shareholders of the Subfund.

When applying the limits specified in Chapter 6, “Investment Restrictions” of the Prospectus to the OTC swap transactions (either an Asset Swap or Funded Swap), reference should be made to the net counterparty risk exposure. Thus, the Company will reduce the gross counterparty risk of the Subfund’s OTC swap transactions by causing the Swap Counterparty to deliver to the Subfund collateral in the form of (i) liquid assets, (ii) debt instruments having an external rating at least equivalent to investment grade, (iii) quoted equities or convertible bonds being part of a main index, (iv) shares or units issued by money market UCITS rated AAA or its equivalent and (v) shares or units issued by bond UCITS rated AAA or its equivalent and provided that such UCITS do not exchange the performance of the bonds against the performance of another asset class. Such collateral will be kept by

a first class financial institution in a segregated account opened on behalf of the Subfund and shall be enforceable by the Company for the account of the Subfund at all times and will be marked to market on a daily basis.

### Annual Inflation Coupons

Every Annual Inflation Coupon is an amount per Share equal to the product of EUR 100 and the Coupon Rate. The Annual Inflation Coupons will be payable by the Subfund within five Luxembourg banking days following the relevant Inflation Coupon Date.

Inflation Coupons:  
Coupon Rate: 
$$\text{Inflation Coupon}_i = \text{EUR}100 * \text{Coupon Rate}_i$$

$$\text{Coupon Rate}_i = \text{Max} \left( 0\%; \frac{\text{HICP}_i}{\text{HICP}_{i-1}} - 1 \right)$$

HICP i: HICP for the 5th month before the Inflation Coupon Date.

HICP i-1: HICP for the 17th month before the Inflation Coupon Date.

HICP: Eurostat Eurozone HICP (excluding Tobacco), unrevised, as published on Bloomberg page CPTFEMU <Index>. Further information on HICP can be found by sending an email at the following address:

estat-hicp-methods@cec.eu.int.

Inflation Coupon Dates:

"i"	Inflation Coupon Dates
1	27 <sup>th</sup> February 2010
2	27 <sup>th</sup> February 2011
3	27 <sup>th</sup> February 2012
4	27 <sup>th</sup> February 2013
5	27 <sup>th</sup> February 2014

### Final Redemption Amount

The Shareholders holding Shares in the Subfund at the Maturity Date will receive a Final Redemption Amount per Share on the Maturity Date (the payment of which shall occur within five Luxembourg banking days following the Maturity Date). The Final Redemption Amount per Share (which shall be deemed to be a monetary value in the Subfund's Reference Currency) will be calculated according to the following formula which is however subject to the credit risk as described below under the section "Risk Information":

Final Redemption Amount: 
$$R = \text{EUR}100 + \text{EUR}100 * \text{Max} \left[ 0\%; \frac{\text{HICP}_6}{\text{HICP}_5} - 1; \text{Min} \left( \text{CAP}; \text{PR} * \left( \frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} - 1 \right) \right) \right]$$

Where:

HICP 6: HICP for the 5th month before the Maturity Date.

HICP 5: HICP for the 17th month before the Maturity Date.

PR: is the participation rate to the Index.

$\text{Index}_{\text{Final}}$  is the closing level of the Index on the Final Observation Date

$\text{Index}_{\text{Initial}}$  is the closing level of the Index on the 27th February 2009

"CAP" is the maximum upside performance of the Index

Final Observation Date: 8 Index business days before the Maturity Date (an Index business day being a day on which the Index level is determined)

### Description of the Index

The Subfund aims to provide exposure to the S&P Mib Index, developed by Standard & Poor's and Borsa Italiana and which is the primary benchmark index for the Italian equity market. Capturing approximately 80% of the domestic market capitalisation, the Index is comprised of highly liquid, leading companies across leading sectors in Italy.

The Index currently measures the performance of 40 equities in Italy and seeks to replicate the broad sector weights of the Italian stock market. The Index is derived from the universe of stocks trading on Borsa Italiana exchanges. The Index is a market capitalisation weighted index after adjusting constituents for freefloat.

The Index is maintained by the Index Committee, which is comprised of economists, index analysts and industry specialists from both Standard & Poor's and Borsa Italiana. The Index Committee strives to ensure that the Index accurately measures the domestic Italian market, reflecting the risk and return characteristics of the broader universe on an on-going basis. The Committee meets quarterly and on an as-needed basis. The Index Committee follows a set of independent and objective guidelines for maintaining the Index. All changes to the Index are announced to the public via press release and are available on the website [www.standardandpoors.com](http://www.standardandpoors.com).

Equities will be chosen according to the following criteria: Sector representation (the Index Committee strives to include the most liquid and sector-representative stocks in the Italian market), liquidity of the stocks, financial viability of the company and the adjusted market capitalisation of the company.

The Reuters code is .SPMIB and Bloomberg code is SPMIB.

Further information on the Index is available on the S&P website [www.standardandpoors.com](http://www.standardandpoors.com)

### IMPORTANT

THE SUBFUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY STANDARD & POOR'S AND ITS AFFILIATES ("S&P") OR BY BORSA ITALIANA AND ITS AFFILIATES ("BIT"). S&P AND BIT MAKE NO REPRESENTATION, CONDITION, WARRANTY, EXPRESS OR IMPLIED, TO THE OWNERS OF THE SUBFUND OR ANY MEMBER OF THE PUBLIC REGARDING THE ADVISABILITY OF INVESTING IN SECURITIES GENERALLY OR IN THE SUBFUND PARTICULARLY OR THE ABILITY OF THE S&P/MIB INDEX TO TRACK GENERAL STOCK MARKET PERFORMANCE. S&P'S AND BIT'S ONLY RELATIONSHIP TO CREDIT SUISSE IS THE LICENSING OF CERTAIN TRADEMARKS AND TRADE NAMES AND OF THE S&P/MIB INDEX WHICH IS DETERMINED, COMPOSED AND CALCULATED BY S&P WITHOUT REGARD TO CREDIT SUISSE OR THE SUBFUND.

S&P AND BIT HAVE NO OBLIGATION TO TAKE THE NEEDS OF CREDIT SUISSE OR THE OWNERS OF THE SUBFUND INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE S&P/MIB INDEX. S&P AND BIT ARE NOT RESPONSIBLE FOR AND HAVE NOT PARTICIPATED IN THE DETERMINATION OF THE PRICES AND AMOUNT OF THE SUBFUND OR THE TIMING OF THE ISSUANCE OR SALE OF THE SUBFUND OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY WHICH THE SUBFUND SHARES ARE TO BE CONVERTED INTO CASH. S&P AND BIT HAVE NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING, OR TRADING OF THE SUBFUND.

S&P AND BIT DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P/MIB INDEX OR ANY DATA INCLUDED THEREIN AND S&P AND BIT SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P AND BIT MAKE NO WARRANTY OR CONDITION, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY CREDIT SUISSE, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P/MIB INDEX OR ANY DATA INCLUDED THEREIN. S&P AND BIT MAKE NO EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, AND EXPRESSLY DISCLAIM ALL WARRANTIES OR CONDITIONS OF MERCHANTABILITY

OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P/MIB INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P OR BIT HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) RESULTING FROM THE USE OF THE S&P/MIB INDEX OR ANY DATA INCLUDED THEREIN, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

#### **Global Exposure**

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

#### **Subscription, Redemption and Conversion of Shares**

Subscription, redemption and conversion applications must be received by the Central Administration at least two (2) banking days (i.e., a day on which banks are normally open for business in London and Luxembourg, a "**Banking Day**") by noon (Central European Time) (a "**Dealing Day**") before the relevant Valuation Day (as defined below) in order to be processed on the basis of the Net Asset Value per Share calculated on such Valuation Day. Subscription, redemption and conversion applications received after this time on a Banking Day shall be deemed to have been received before the next Valuation Day. Valuation Days will be on each week, i.e. every Wednesday which is a banking day in Luxembourg it being understood that:

- if such a day is a holiday in Luxembourg, the Valuation Day will be the next following business day; and,
- if London and/or Milan are closed on any business day between the Dealing Day (inclusive) and the Valuation Day (exclusive), the calculation of the Net Asset Value per Share shall be deferred without undue delay until information required for the valuation shall be normally available.

Redemptions orders must be submitted by referring to a number of Shares (i.e., not a redemption amount). No redemption fees shall apply.

#### **Investment Manager**

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Manager to assist with the management of this Subfund.

#### **Risk Information**

In addition to the risks listed in Chapter 7, "Risk factors", potential investors should be aware of specific risks relating to the above Subfund.

Although the Subfund will implement an investment strategy aiming to return to the Shareholders at the Maturity Date an amount at least equal to the initial offering price, investors must be aware that an investment in the Shares of the Subfund may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). The functioning of the capital protection feature of the Subfund will be dependent on the due payment of the interest and principal amounts on the bonds or other debt instruments in which the Subfund is invested as Subfund's Assets.

Changes in taxes or in applicable law or regulations or the issuance of any directive or any change in the interpretation thereof, whether formal or informal, by any court, tribunal or regulatory authority during the capital protection period may have an adverse effect on the price performance of the Subfund and more specifically on its capital protection strategy by impacting the bonds or other debt securities that may be held by the Subfund. In no circumstances shall the Swap Counterparty be under any obligation to make any additional payment in order to compensate any such deduction or withholding.

#### **Investor Profile**

The Subfund is suitable for investors who are seeking an annual inflation linked payout and limited exposure to the Index.

#### **Subscription Period**

The Subscription Period will start on 27 October 2008 and will end up on 23 February 2009. Thereafter, the Subfund will be closed for further subscriptions.

#### **Management Fee**

Contrary to what is provided for under Chapter 9, "Expenses and Taxes", the management fee as specified in Chapter 2, "Summary of Share Classes" shall be calculated on the basis of the initial offering price and shall be payable at the end of each quarter. The management fee borne by the Subfund shall be an "all-in fee" out of which all fees, expenses and costs shall be paid. There will be no management fees during the Initial Investment Term.

## Credit Suisse Solutions (Lux) Megatrends

The Reference Currency in which the performance and net asset value of the Subfund are calculated is US Dollars. Investments may be denominated in any currency.

### Investment Objective

The objective of the Subfund is to achieve the highest possible return in the Reference Currency, while taking due account of the principle of risk diversification, the security of the capital invested and the liquidity of the invested assets.

### Investment Principles

To achieve the investment objective the investment decisions are based on a theme allocation provided by Credit Suisse's internal research. A theme consists of an aggregation of several sub-sectors, which respond to the same geographical, socio-political, macroeconomic or ecological development. The theme allocation is derived from views of internal research on the above mentioned developments. A substantial part of these investments can be made in securities issued by companies, which are domiciled in or carry out the bulk of their business activities in emerging countries worldwide. In this context, emerging countries are defined as countries which are not considered by the International Monetary Fund, World Bank or International Finance Corporation (IFC) to be developed, high-income industrialized countries.

### Asset Allocation

The Subfund shall invest at least 51% of its net assets directly or indirectly in equities and equity-type securities according to the principles described above. The remaining part of the Subfund's portfolio may be invested in fixed income and investment instruments giving exposure to real estate or commodities including precious metals ("alternative asset classes") or held in form of liquid assets. In compliance with the provisions of Chapter 6, "Investment Restrictions", the exposure to alternative asset classes will be achieved indirectly through the use of one or more of the instruments listed below. If the exposure on alternative asset classes is to be achieved via derivatives, this must be done using derivatives which have a financial index as their underlying.

Liquid assets may within the limits set forth in Chapter 6, "Investment Restrictions", be invested in money market instruments admitted to or dealt in on a regulated market, in the official foreign exchange market or in callable deposits at credit institutions provided the term to maturity does not exceed twelve months. The liquid assets, together with debt instruments which generate interest income within the meaning of EU Directive 2003/48/EC, may not exceed 25% of the Subfund.

### Investment Instruments

To achieve its investment objective, the Subfund may, subject to the aforementioned investment principles, use any of the instruments listed in section 1 of Chapter 6, "Investment Restrictions", irrespective of currency but in accordance with the principle of risk diversification; these may include, but not be limited to, the instruments specified below:

*Equities or equity-type securities:* at least 51% of the Subfund's net assets;

*Bonds, notes, similar fixed- or variable-income securities* (including convertible bonds, convertible notes, warrant bonds and warrants on securities as well as warrants of public, private and semiprivate issuers which are domiciled in a country belonging to the Organisation for Economic Cooperation and Development (OECD)): up to 40% of the Subfund's net assets;

### Derivatives

Subject to the investment restrictions set out in Chapter 6, "Investment Restrictions", section 3) and section 4), the Subfund may, in the interest of the efficient management of the portfolio in terms of profit and loss profiles, structure part of these core investments using derivatives such as forward contracts, swaps, futures and options. Furthermore, to hedge currency risks and to gear its assets to one or more other currencies, the Subfund may enter into forward foreign exchange and other currency derivatives in accordance with section 1) g) of Chapter 6, "Investment

Restrictions". Any indices on which such derivatives are based shall be chosen in accordance with Art. 9 of the Grand-Ducal Regulation of 8 February 2008.

### Target Funds

Contrary to what is stated in section 5 of Chapter 6, "Investment Restrictions", the Subfund may invest up to 49% of its net assets in shares or units of other UCITS and/or other UCIs pursuant to section 1) paragraph e) of Chapter 6, "Investment Restrictions".

### Structured Products

The Subfund may invest up to 30% of its net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class banks (or by issuers that offer investor protection comparable to that provided by first-class banks), and facilitate exposure to the commodity, products, natural resources or precious metals segments and to currencies. These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010. Moreover, these products must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of 17 December 2010, such products must not entail any leverage. The derivatives embedded in such structured products may only be based on investment instruments specified in Chapter 6, section 1. As well as satisfying the regulations on risk spreading, the asset baskets and underlying indices must be sufficiently diversified.

### Global Exposure

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

### Risk Information

The probable returns on securities of issuers from emerging countries (emerging markets) are generally higher than the returns on similar securities of equivalent issuers from countries other than emerging countries. Emerging countries and developing markets are defined as countries which, at the time of investment, are not considered by the International Monetary Fund, the World Bank or the International Finance Corporation (IFC) to be developed, high-income industrialized countries. The markets in emerging countries are much less liquid than the developed equity markets. Moreover, in the past, these markets have experienced higher volatility than the developed markets. Potential investors should be aware that, due to the political and economic situation in emerging countries, investments in this Subfund entail a greater degree of risk, which could in turn reduce the return on the Subfund's assets.

Investments in the Subfund should only be made on a long-term basis. The investments of this Subfund are exposed to the following risks (among others): less effective public supervision, accounting and auditing methods and standards which do not match the requirements of Western legislation, possible restrictions on repatriation of the capital invested, counterparty risk in respect of individual transactions, market volatility and insufficient liquidity affecting the Subfund's investments.

It must also be borne in mind that companies are selected regardless of the market capitalization (micro, small, mid, large caps), sector or geographical focus. This may lead to a concentration in terms of market segments, sectors, geography and currency.

A fluctuation in the exchange rate of local currencies worldwide in relation to the reference currency will bring about a corresponding, simultaneous fluctuation in the net assets of the Subfund as expressed in the reference currency, while local currencies may be subject to foreign exchange restrictions. Dividends generated by the Company's investments for the account of the Subfund may be subject to non-recoverable withholding tax. This could impair the Subfund's income. Furthermore, capital gains generated by the Company's investments for the account of the Subfund may also be subject to capital gain tax and to repatriation limitations.

Further information on the risks of equity investments, investments in emerging markets and in REITS is set out in Chapter 7, "Risk Factors".

Investors should note that investments in Target Funds may incur the same costs both at the Subfund's level and at the level of the Target Funds. Furthermore, the value of the units in the Target

Funds may be affected by currency fluctuations, currency exchange transactions, tax regulations (including the levying of withholding tax) and any other economic or political factors or changes in the countries in which the Target Fund is invested, along with the aforementioned risks associated with exposure to the emerging markets. The investment of the assets of the respective Subfund in units of Target Funds entails a risk that the redemption of the units is subject to restrictions, with the consequence that such investments may be less liquid than other types of investment as the case may be.

Investments in commodity or precious metal indices differ from traditional investments and entail additional risk potential and higher volatility. The assets of the Subfund are subject to the usual fluctuations experienced by the sector in question. The value of commodities or precious metals is affected, for example, by fluctuations on the commodity markets, by natural or medical emergencies, by economic, political or regulatory developments around the world, and – in the case of derivatives and structured products – also by changes in interest rates. The volatility of commodity indices and historical financial market scenarios are not a guarantee of future developments. The risks entailed in alternative investments are considerable, so exposure to these investments increases the potential for losses accordingly. The Management Company, however, will seek to minimize such risks by a strict selection of investments acquired and by an appropriate spreading of risk.

The use of derivatives also involves specific risks. Accordingly, potential investors are referred in particular to the risks associated with derivatives

set out in Chapter 7, “Risk Factors”. In addition, potential investors should note that various money flow risks arising from adjustments necessitated by subscriptions and redemptions may reduce the targeted return. Moreover, potential investors should be aware of the fact that the counterparty risk cannot be eliminated completely in derivative strategies. The Subfund, however, will endeavour to minimize these risks by engaging in various hedging activities.

Investments in the respective Subfund are subject to price fluctuations. There can therefore be no guarantee that the investment objective will be met.

#### **Investor Profile**

This Subfund is suitable for investors wishing to participate in the development of equity markets worldwide. Investors will be looking for a diversified exposure to companies in this economic area.

As the investments are focused on equities, which can be subject to wide fluctuations in value, investors should have a medium to long investment horizon.

#### **Costs associated with Investments in Target Funds**

Besides the expenses incurred by the Management Company in managing the Subfund, a management fee shall be indirectly deducted from the assets of each Subfund in respect of the Target Funds contained therein.

Contrary to what is stated in section 5 of Chapter 6, “Investment Restrictions”, the Management Company may also charge a management fee for investments in Target Funds designated as Affiliated Funds in the aforementioned provision.

#### **Investment Manager**

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Manager to assist with the management of this Subfund.

#### **Subscription, Redemption and Conversion of Shares**

Subscription, redemption and conversion applications must be received by the Central Administration or a Distributor by 3 p.m. (Central European Time) two Banking Days prior to the Valuation Day (as defined above). Subscription, redemption and conversion applications received after this cut-off point shall be deemed to have been duly received on the Banking Day prior to the next Valuation Day.

#### **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

Share in the event of a net surplus of subscription applications or reduced by up to a maximum of 2% per Share 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 Company may, in the interest of Shareholders, decide to increase the maximum swing factor indicated above. In such case the Company would inform the investors in accordance with Chapter 14, “Information for Shareholders”.

## Credit Suisse Solutions (Lux) Prima Multi-Strategy

The Reference Currency in which the performance and net asset value of the Subfund are calculated is Euro. Investments may be denominated in any currency.

### Investment Objective

The Investment Objective of the Subfund is to generate attractive returns over the macroeconomic cycle through active portfolio management across the absolute return strategy universe.

### Investment Principles

The Investment Objective shall be primarily achieved through investments in units or shares of undertakings for collective investment ("Target Funds"), while taking account of the principles of risk-spreading, security of capital and liquidity of the Subfund's assets based on a high-conviction, performance-oriented approach, relying on rigorous due diligence and risk management disciplines. The Subfund will not directly employ leverage as a source of performance.

### Investment Policy

The Subfund shall invest globally in Target Funds authorised according to Directive 2009/65/EC and/or Target Funds within the meaning of Article 1, paragraph (2) points a) and b) of Directive 2009/65/EC, including exchange-traded funds (ETF) in accordance with the provisions of Chapter 6, "Investment Restrictions", section 1 e). Notwithstanding the provisions of Chapter 6, "Investment Restrictions" section 5, the Subfund may invest up to 100% of its net assets in units or shares of Target Funds. All other provisions of Chapter 6, "Investment Restrictions", relating to investments in Target Funds remain applicable.

Investments in closed end funds are equally permitted in accordance with the provisions of Chapter 6, "Investment Restrictions" up to 100% of the net assets of the Subfund to the extent such closed end funds qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and comply with the provisions of Article 2 (2) (a) and (b) of the Grand-Ducal Regulation of 8 February 2008.

In accordance with section 1 g) of Chapter 6, "Investment Restrictions", the Subfund may invest up to 100% of its net asset value in derivatives. Derivatives may also be used in the interest of the efficient management of the portfolio or for hedging purposes, provided any applicable limits set out in Chapter 6, "Investment Restrictions" are observed. The overall risk associated with the derivatives must not exceed the total Net Asset Value of the Subfund. In terms of risk calculations, the market value of the underlying instruments together with premiums paid, the counterparty's default risk, future market fluctuations and the time required to realize the positions must be taken into account. Derivatives acquired in order to hedge all or part of portfolio items against changes in market risk are not factored into this calculation. This possibility is reserved solely for cases in which the risk-reducing effect is evident and free of all doubt. In order to hedge currency risks, the 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 specializing in this type of transaction. Furthermore, the Subfund may actively manage its currency exposure through the use of the before-mentioned derivative instruments. The combined currency derivative exposure entered into by the Subfund must be net long in the Subfund's Reference Currency. Any indices on which derivatives are based shall be chosen in accordance with Article 9 of the Grand-Ducal Regulation of 8 February 2008.

In addition, the Subfund may invest up to 25% of its net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class banks (or by issuers that offer investor protection comparable to that provided by first-class banks), and facilitate exposure to the investment universe specified above. These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010. These structured products must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law

of 17 December 2010, such products must not entail any leverage effect. The underlying of the embedded derivatives contained in such structured products can only consist in instruments listed in section 1 of Chapter 6, "Investment Restrictions". As well as satisfying the regulations on risk spreading, the underlying baskets and underlying indices must be sufficiently diversified.

The Subfund may hold liquid assets on an ancillary basis in such currencies in which investments are conducted or in which the redemption price is paid out. Such liquid assets may within the limits set forth in Chapter 6, "Investment Restrictions", be invested in money market instruments admitted to or dealt in on a regulated market, in the official foreign exchange market or in callable deposits at credit institutions provided the term to maturity does not exceed twelve months. The liquid assets, together with debt instruments which generate interest income within the meaning of EU Directive 2003/48/EC, may not exceed 25% of the net assets of the Subfund.

### Global Exposure

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

### Specific Risk Factors

**In addition to the risks listed in Chapter 6, "Risk Factors", potential investors should note that various risks arising from money flows in connection with subscriptions and redemptions may reduce the targeted return.**

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

Investors should also note that the Target Funds' investments may be selected without regard to capitalization, strategy or geographical location. This may lead at least to a concentration in geographical terms or in terms of strategy.

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

Target Funds in which the Subfund invests include "Hedge Funds", which pursue alternative strategies. Such investments are generally considered to be risky. In addition to the risks involved in traditional investments (market risk, credit risk, liquidity risk) alternative investments are subject to a number of specific risks which are set out below. The Management Company will seek to minimize this risk through supervision, monitoring and by pursuing a multiple strategy approach aiming at a broad risk diversification.

Investment funds which use alternative strategies, such as Hedge Funds, differ from traditional investments mainly because of the use of short selling in their investment strategies, the use of speculative investment strategies, and the leverage effect.

In extreme cases the use of derivative instruments and/or leveraged exposures may result in individual Target Funds becoming worthless.

The success of hedge funds depends in particular on the competence of the fund managers and the suitability of the infrastructure available to them.

Investors should note that the base currency of the Fund is Euro, and although the Management Company has the ability to hedge the Subfund's exposure to movements in other currencies, there is the risk that any foreign currency exposure will not be fully or successfully hedged and that the Subfund's net asset value could move down due to a fall in the value of non-Euro currencies against the Euro. Where the Management Company decides to hedge part or all of a currency exposure, the hedging process may from time to time result in a small residual currency exposure due to market movements.

The probable returns on securities of issuers from emerging markets may be generally higher than the returns on similar securities of equivalent issuers from developed, industrialized countries. However, the higher return should be viewed as compensation for the greater risk to which the investor is exposed. Further information on the risks of investments in emerging markets is set out in Chapter 7, "Risk Factors".

#### Investor Profile

The Subfund is suitable for long-term investors wishing to achieve long term capital growth while preserving capital by investing in an internationally diversified portfolio of shares and units in collective investment schemes and other permitted investments described in the preceding section, "Investment Policy".

#### Net Asset Value

Notwithstanding the provisions of Chapter 8, "Net Asset Value", the Net Asset Value of the Shares of the Subfund shall be calculated on a weekly basis on each Thursday or, where a Thursday is not a banking day in Luxembourg and Zurich, the banking day in Luxembourg and Zurich following such Thursday (a "Valuation Day").

#### Subscription, Redemption and Conversion of Shares

Divergent from Chapter 5, "Investment in Credit Suisse Solutions (Lux)", subscription, redemption and conversion applications must be received by the Central Administration (or a Distributor) at least six (6) banking days (i.e., a day on which banks are normally open for business in Zurich and Luxembourg, a "Banking Day") by 12 a.m. (Central European Time) prior to the relevant Valuation Day (as defined above) in order to be processed on the basis of the Net Asset Value per Share calculated on such Valuation Day.

Subscription, redemption and conversion applications received after this time shall be deemed to have been promptly received before the next Valuation Day.

Payment of the issue price must be effected within two (2) Banking Days after the Valuation Day on which the issue price of the Shares was determined.

Divergent from Chapter 5, "Investment in Credit Suisse Solutions (Lux)" section iii, the payment of the redemption proceeds shall be made within eight (8) Banking Days following the calculation of the redemption price.

The conversion of Shares shall be effected only if the requirements for the Class of Shares into which such Shares are converted, are satisfied.

The Conversion request must state either an amount or the number of Shares of the relevant Share Class which the Shareholder wishes to convert.

The conversion of Shares shall take place on the basis of the applicable Net Asset Value per Share calculated on the applicable Valuation Day following the submission of the application, by the simultaneous:

- i) redemption of the number of Shares of the relevant Share Class specified in the conversion request at the Net Asset Value per Share of the relevant Class of Shares; and
- ii) issue of Shares of the Class into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Share Class.

Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued shall be calculated by converting the proceeds resulting from the redemption of the Shares subject to conversion into the currency in which the Shares to be issued are denominated and after deducting any fees and exchange commissions resulting from such currency conversion.

If an application for conversion of Shares would result in the Shareholder holding Shares of a particular Share Class in the Subfund with an aggregate Net Asset Value which is less than the applicable minimum holding, the Company may, without further notice to the Shareholder, treat such conversion request as an application for the conversion of all Shares of that Class into Shares of the other Class in the Subfund.

Such minimum holding requirement may be waived in any particular case at the sole discretion of the Company.

#### Net Redemption Orders Exceeding 10% of the NAV on a Single Valuation Day

In the event that on any Valuation Day the net redemption orders (i.e., after deduction of subscription orders) in respect of the Subfund do exceed 10% of the Net Asset Value of the Subfund, the Board of Directors may scale down pro rata each redemption order with respect to such Valuation Day so that no more than 10% of the Net Asset Value of the Subfund be redeemed or converted on such Valuation Day. To the extent that any redemption order is not given full effect on such Valuation Day by virtue of the exercise of the power to prorate redemption orders, it shall be treated with respect to the unsatisfied balance thereof as if a further request has been made by the Shareholder in respect of the next Valuation Day. In the event that on such next Valuation Day the net redemption orders in respect of the Subfund do exceed 10% of the Net Asset Value of the Subfund, the same procedure will be applied. In no circumstances there will be more than two consecutive deferrals.

#### Costs Associated with Investment in Target Funds

Besides the expenses incurred by the Management Company in managing the Subfund, a management fee shall be indirectly deducted from the assets of the Subfund in respect of the Target Funds contained therein.

Notwithstanding the provisions of section 5 of Chapter 6, "Investment Restrictions", the Management Company may also charge a management fee for investments in Target Funds designated as Affiliated Funds in the aforementioned provision.

The cumulative management fee at Subfund and Target Fund level shall not exceed 4.00%.

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

#### Performance Fee

In addition to the Management Fee, the Management Company is entitled to a performance fee which is calculated with every net asset value calculation on the basis of the net asset value of the Share Class concerned.

#### Share Classes "B", "EA", "EAH", "EB", "EBH", "I", "R", "S", "UA", "UAH", "UB" and "UBH"

The calculation of the performance fee and the necessary provisioning take place with every Net Asset Value calculation and will be payable quarterly in arrears when the Net Asset Value of a Share Class used in the calculation of a performance fee is greater than any previous Net Asset Values ("high water mark").

The performance fee calculation, together with the necessary provisioning and crystallization, takes place with every Net Asset Value calculation.

If, on the Calculation Date, the Net Asset Value of a Share Class is greater than the preceding Net Asset Values (prior to deduction of the performance fee), a performance fee of 5% for Share Classes "I", "S", "EA", "EAH", "EB" and "EBH" resp. 10% for Share Classes "B", "R", "UA", "UAH", "UB" and "UBH" (see Chapter 2, "Summary of Share Classes") shall be deducted on the difference between the Net Asset Value of the relevant Share Class and the high water mark. The performance fee is calculated on the basis of the Shares of the relevant Share Class that are currently in circulation.

This performance fee cannot be refunded if the Net Asset Value falls again after deduction of the fee. This means that a performance fee may also be charged and paid if, at the end of the financial year, the Net Asset Value per Share of the relevant Class is lower than the value at the beginning of the year.

A performance fee is payable when

$$NAV_t > \max \{NAV_0, \dots, NAV_{t-1}\}.$$

If this condition is met, then:

$$5\% \text{ or } 10\% \left( [NAV_t - HWM] \times \text{number of Shares } t \right)$$

where:

NAV t = current net asset value prior to provision for performance fee

NAV 0 = initial net asset value

HWM = high water mark = max {NAV 0....NAV t-1},

t = current calculation date

#### Share Classes "F" and "T"

The calculation of the performance fee and the necessary provisioning take place with every Net Asset Value calculation and will be payable annually in arrears at the end of the calendar year when both of the following conditions are fulfilled:

- a) the net asset value of a Share Class used in the calculation of a performance fee must be greater than any previous net asset values ("high water mark"), and
- b) the net asset value of a Share Class must exceed a pro rata performance of 5% per annum ("hurdle rate") (the "hurdle NAV").

The hurdle NAV is reset at the beginning of each calendar year to equal the last net asset value calculated in the previous calendar year.

The performance fee calculation, together with the necessary provisioning, takes place with every net asset value calculation, however the performance fee is only crystallized at the end of the calendar year.

If, on the Calculation Date, the net asset value of a Share Class is above the hurdle NAV and is greater than the preceding net asset values (prior to deduction of the performance fee), a performance fee of 15% for Share Classes "F", and "T" (see Chapter 2, "Summary of Share Classes") shall be deducted on the difference between the net asset value of the relevant Share Class and the high water mark and/or the hurdle NAV (whichever is the greater of the two). The performance fee is calculated on the basis of the Shares of the relevant Share Class that are currently in circulation.

A performance fee is payable when

NAV t > HWM

And

NAV t - HR NAV t > 0.

If both conditions are met, then:

15% ((NAV t - max (HWM; HR NAV t)) × number of Shares t)

where:

NAV t = current net asset value prior to provision for performance fee

HWM = high water mark = highest NAV (prior to deduction of the performance fee) at the end of a calendar year where a performance fee has been paid,

HR = hurdle rate

t = current calculation date

#### Assets entrusted with financial service providers

In accordance with applicable law and the provisions of Chapter 17, "Custodian Bank", the safekeeping of the assets of the Subfund may be entrusted to Credit Suisse AG, Zurich, which has been appointed to this effect by the Custodian Bank in agreement with the Company to act as trustee or nominee who keeps the assets of the Subfund in its own name but for the account of the Custodian Bank on behalf of the Subfund. Credit Suisse AG, Zurich shall ensure that the assets kept for the account of the Custodian Bank on behalf of the Subfund are segregated from other assets maintained by Credit Suisse AG, Zurich for its own account or the account of third parties. The liability of the Custodian Bank shall not be affected by the fact that assets of the Subfund are entrusted to third parties in accordance with the principles set forth herein.

#### Investment Manager

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Manager to assist with the management of this Subfund.

## Credit Suisse Solutions (Lux) Prima Growth

The reference currency in which the performance and net asset value of the Subfund are calculated is Euro. Investments may be denominated in any currency.

### Investment Objective

The Investment Objective of the Subfund is to generate attractive high returns over the macroeconomic cycle through active portfolio management across the absolute return strategy universe. Over time the portfolio is expected to be focused on directional and tactical strategies, although the Subfund may opportunistically invest in relative value strategies. As a consequence the portfolio is expected to have some degree of correlation to equity markets, while at the same time maintaining a lower level of volatility.

### Investment Principles

The Investment Objective shall be primarily achieved through investments in units or shares of undertakings for collective investment ("Target Funds"), while taking account of the principles of risk-spreading and liquidity of the Subfund's assets based on a high-conviction, performance-oriented approach, relying on rigorous due diligence and risk management disciplines. The Subfund will not directly employ leverage as a source of performance.

### Investment Policy

The Subfund shall invest globally in Target Funds authorised according to Directive 2009/65/EC and/or Target Funds within the meaning of the first and second indent of Article 1, paragraph (2) points a) and b) of Directive 2009/65/EC, including exchange-traded funds (ETF) in accordance with the provisions of Chapter 6, "Investment Restrictions", section 1 e). Notwithstanding the provisions of Chapter 6, section 5, "Investment Restrictions", the Subfund may invest up to 100% of its net assets in units or shares of Target Funds. All other provisions of Chapter 6, "Investment Restrictions", relating to investments in Target Funds remain applicable.

Investments in closed end funds are equally permitted in accordance with the provisions of Chapter 6, "Investment Restrictions" up to 100% of the net assets of the Subfund to the extent such closed end funds qualify as transferable securities pursuant to Art. 41 of the Law of 17 December 2010 and comply with the provisions of Art. 2 (2) (a) and (b) of the Grand-Ducal Decree of 8 February 2008.

In accordance with section 1 g) of Chapter 6, "Investment Restrictions", the Subfund may use derivatives in the interest of the efficient management of the portfolio or for hedging purposes, provided any applicable limits set out in Chapter 6, "Investment Restrictions" are observed. The overall risk associated with the derivatives must not exceed the total Net Asset Value of the Subfund. In terms of risk calculations, the market value of the underlying instruments together with premiums paid, the counterparty's default risk, future market fluctuations and the time required to realize the positions must be taken into account. Derivatives acquired in order to hedge all or part of portfolio items against changes in market risk are not factored into this calculation. This possibility is reserved solely for cases in which the risk-reducing effect is evident and free of all doubt. In order to hedge currency risks, the 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 specializing in this type of transaction. Furthermore, the Subfund may actively manage its currency exposure through the use of the before-mentioned derivative instruments. The combined currency derivative exposure entered into by the Subfund must be net long in the Subfund's Reference Currency. Any indices on which derivatives are based shall be chosen in accordance with Art. 9 of the Grand-Ducal Decree of 8 February 2008.

In addition, the Subfund may invest up to 25% of its net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class banks (or by issuers that offer investor protection comparable to that provided by first-class banks), and facilitate exposure to the investment universe specified above. These structured products must qualify as transferable securities

pursuant to Art. 41 of the Law of 17 December 2010. These structured products must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Art. 42 (3) of the Law of 17 December 2010, such products must not entail any leverage effect. The underlying of the embedded derivatives contained in such structured products can only consist in instruments listed in section 1 of Chapter 6, "Investment Restrictions". As well as satisfying the regulations on risk spreading, the underlying baskets and underlying indices must be sufficiently diversified.

The Subfund may hold liquid assets on an ancillary basis in such currencies in which investments are conducted or in which the redemption price is paid out. Such liquid assets may within the limits set forth in Chapter 6, "Investment Restrictions", be invested in money market instruments admitted to or dealt in on a regulated market, in the official foreign exchange market or in callable deposits at credit institutions provided the term to maturity does not exceed twelve months. The liquid assets, together with debt instruments which generate interest income within the meaning of EU Directive 2003/48/EC, may not exceed 25% of the net assets of the Subfund.

### Specific Risk Factors

**In addition to the risks listed in Chapter 7, "Risk Factors", potential investors should note that various risks arising from money flows in connection with subscriptions and redemptions may reduce the targeted return.**

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

Investors should also note that the Target Funds' investments may be selected without regard to capitalization, strategy or geographical location. This may lead at least to a concentration in geographical terms or in terms of strategy.

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

Target Funds in which the Subfund invests include primarily absolute return funds, which pursue alternative strategies. Such investments are generally considered to be risky. In addition to the risks involved in traditional investments (market risk, credit risk, liquidity risk) alternative investments are subject to a number of specific risks which are set out below. The Management Company will seek to minimize this risk through supervision, monitoring and by pursuing a multiple strategy approach aiming at a broad risk diversification.

Investment funds which use alternative strategies, such as absolute return funds, differ from traditional investments mainly because of the use of short selling in their investment strategies, the use of speculative investment strategies, and the leverage effect.

In extreme cases the use of derivative instruments and/or leveraged exposures may result in individual Target Funds becoming worthless.

The success of absolute return funds depends in particular on the competence of the fund managers and the suitability of the infrastructure available to them.

Investors should note that the base currency of the Fund is Euro, and although the Management Company has the ability to hedge the Subfund's exposure to movements in other currencies, there is the risk that any foreign currency exposure will not be fully or successfully hedged and that the Subfund's net asset value could move down due to a fall in the value of non-Euro currencies against the Euro. Where the Management Company decides to hedge part or all of a currency exposure, the hedging process may from time to time result in a small residual currency exposure due to market movements.

The probable returns on securities of issuers from emerging markets may expose investors to greater risks than similar securities of equivalent issuers from developed, industrialized countries. Further information on the risks of investments in emerging markets is set out in Chapter 6, "Risk Factors".

#### Global Exposure

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

#### Investor Profile

The Sub-fund is suitable for long-term investors wishing to achieve long term capital growth by investing in a diversified portfolio of shares and units in collective investment schemes and other permitted investments described in the preceding section, "Investment Policy".

#### Net Asset Value

Notwithstanding the provisions of Chapter 8, "Net Asset Value", the net asset value of the Shares of the Subfund shall be calculated on a weekly basis on each Thursday or, where a Thursday is not a banking day in Luxembourg and Zurich, the banking day in Luxembourg and Zurich following such Thursday (a "Valuation Day").

#### Subscription, Redemption and Conversion of Shares

Divergent from Chapter 5., "Investment in Credit Suisse Solutions (Lux)", subscription, redemption and conversion applications must be received by the Central Administration (or a Distributor) at least six (6) banking days (i.e., a day on which banks are normally open for business in Zurich and Luxembourg, a "Banking Day") by 12 a.m. (Central European Time) prior to the relevant Valuation Day (as defined above) in order to be processed on the basis of the Net Asset Value per Share calculated on such Valuation Day.

Subscription, redemption and conversion applications received after this time shall be deemed to have been promptly received before the next Valuation Day.

Payment of the issue price must be effected within two (2) Banking Days after the Valuation Day on which the issue price of the Shares was determined.

Divergent from Chapter 5., "Investment in Credit Suisse Solutions (Lux)" section iii, the payment of the redemption proceeds shall be made within eight (8) Banking Days following the calculation of the redemption price.

The conversion of Shares shall be effected only if the requirements for the Class of Shares into which such Shares are converted, are satisfied.

The Conversion request must state either an amount or the number of Shares of the relevant Share Class which the Shareholder wishes to convert.

The conversion of Shares shall take place on the basis of the applicable Net Asset Value per Share calculated on the applicable Valuation Day following the submission of the application, by the simultaneous:

- i) redemption of the number of Shares of the relevant Share Class specified in the conversion request at the Net Asset Value per Share of the relevant Class of Shares; and
- ii) issue of Shares of the Class into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Share Class.

Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued shall be calculated by converting the proceeds resulting from the redemption of the Shares subject to conversion into the currency in which the Shares to be issued are denominated and after deducting any fees and exchange commissions resulting from such currency conversion.

If an application for conversion of Shares would result in the Shareholder holding Shares of a particular Share Class in the Subfund with an aggregate Net Asset Value which is less than the applicable minimum holding, the Company may, without further notice to the Shareholder, treat such conversion request as an

application for the conversion of all Shares of that Class into Shares of the other Class in the Subfund.

Such minimum holding requirement may be waived in any particular case at the sole discretion of the Company.

#### Net Redemption Orders Exceeding 10% of the NAV on a Single Valuation Day

In the event that on any Valuation Day the net redemption orders (i.e., after deduction of subscription orders) in respect of the Subfund do exceed 10% of the Net Asset Value of the Subfund, the Board of Directors may scale down pro rata each redemption order with respect to such Valuation Day so that no more than 10% of the Net Asset Value of the Subfund be redeemed or converted on such Valuation Day. To the extent that any redemption order is not given full effect on such Valuation Day by virtue of the exercise of the power to prorate redemption orders, it shall be treated with respect to the unsatisfied balance thereof as if a further request has been made by the Shareholder in respect of the next Valuation Day. In the event that on such next Valuation Day the net redemption orders in respect of the Subfund do exceed 10% of the Net Asset Value of the Subfund, the same procedure will be applied. In no circumstances there will be more than two consecutive deferrals.

#### Costs Associated with Investment in Target Funds

Besides the expenses incurred by the Management Company in managing the Subfund, a management fee shall be indirectly deducted from the assets of the Subfund in respect of the Target Funds contained therein.

Notwithstanding the provisions of section 5 of Chapter 6, "Investment Restrictions", the Management Company may also charge a management fee for investments in Target Funds designated as Affiliated Funds in the aforementioned provision.

The cumulative management fee at Subfund and Target Fund level shall not exceed 4.00%.

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

#### Performance Fee

In addition to the Management Fee, the Management Company is entitled to a performance fee which is calculated with every net asset value calculation on the basis of the Net Asset Value of the Share Class concerned.

#### Share Classes "B", "EA", "EAH", "EB", "EBH", "I", "R", "S", "UA", "UAH", "UB" and "UBH"

The calculation of the performance fee and the necessary provisioning take place with every Net Asset Value calculation and will be payable quarterly in arrears when the Net Asset Value of a Share Class used in the calculation of a performance fee is greater than any previous Net Asset Values ("high water mark").

The performance fee calculation, together with the necessary provisioning and crystallization, takes place with every Net Asset Value calculation.

If, on the Calculation Date, the Net Asset Value of a Share Class is greater than the preceding Net Asset Values (prior to deduction of the performance fee), a performance fee of 5% for Share Classes "I", "S", "EA", "EAH", "EB" and "EBH" resp. 10% for Share Classes "B", "R", "UA", "UAH", "UB" and "UBH" (see Chapter 2, "Summary of Share Classes") shall be deducted on the difference between the Net Asset Value of the relevant Share Class and the high water mark. The performance fee is calculated on the basis of the Shares of the relevant Share Class that are currently in circulation.

This performance fee cannot be refunded if the Net Asset Value falls again after deduction of the fee. This means that a performance fee may also be charged and paid if, at the end of the financial year, the net asset value per Share of the relevant Class is lower than the value at the beginning of the year.

A performance fee is payable when

$NAV_t > \max\{NAV_0, \dots, NAV_{t-1}\}$ .

If this condition is met, then:

$5\% \text{ or } 10\% ((NAV_t - HWM) \times \text{number of Shares } t)$

where:

NAV<sub>t</sub> = current net asset value prior to provision for performance fee

NAV<sub>0</sub> = initial net asset value

HWM = high water mark = max {NAV<sub>0</sub>...NAV<sub>t-1</sub>},

t = current calculation date

#### Share Classes "F" and "T"

The calculation of the performance fee and the necessary provisioning take place with every Net Asset Value calculation and will be payable annually in arrears at the end of the calendar year when both of the following conditions are fulfilled:

- a) the net asset value of a Share Class used in the calculation of a performance fee must be greater than any previous net asset values ("high water mark"), and
- b) the net asset value of a Share Class must exceed a pro rata performance of 5% per annum ("hurdle rate") (the "hurdle NAV").

The hurdle NAV is reset at the beginning of each calendar year to equal the last net asset value calculated in the previous calendar year.

The performance fee calculation, together with the necessary provisioning, takes place with every net asset value calculation, however the performance fee is only crystallized at the end of the calendar year.

If, on the Calculation Date, the net asset value of a Share Class is above the hurdle NAV and is greater than the preceding net asset values (prior to deduction of the performance fee), a performance fee of 15% for Share Classes "F", and "T" (see Chapter 2, "Summary of Share Classes") shall be deducted on the difference between the net asset value of the relevant Share Class and the high water mark and/or the hurdle NAV (whichever is the greater of the two). The performance fee is calculated on the basis of the Shares of the relevant Share Class that are currently in circulation.

A performance fee is payable when

$NAV_t > HWM$

And

$NAV_t - HR \cdot NAV_t > 0$ .

If both conditions are met, then:

$15\% ((NAV_t - \max(HWM; HR \cdot NAV_t)) \times \text{number of Shares } t)$

where:

NAV<sub>t</sub> = current net asset value prior to provision for performance fee

HWM = high water mark = highest NAV (prior to deduction of the performance fee) at the end of a calendar year where a performance fee has been paid,

HR = hurdle rate

t = current calculation date

#### Assets entrusted with financial service providers

In accordance with applicable law and the provisions of Chapter 17, "Custodian Bank", the safekeeping of the assets of the Subfund may be entrusted to Credit Suisse AG, Zurich, which has been appointed to this effect by the Custodian Bank in agreement with the Company to act as trustee or nominee who keeps the assets of the Subfund in its own name but for the account of the Custodian Bank on behalf of the Subfund. Credit Suisse AG, Zurich shall ensure that the assets kept for the account of the Custodian Bank on behalf of the Subfund are segregated from other assets maintained by Credit Suisse AG, Zurich for its own account or the account of third parties. The liability of the Custodian Bank shall not be affected by the fact that assets of the Subfund are entrusted to third parties in accordance with the principles set forth herein.

#### Investment Manager

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Manager to assist with the management of this Subfund.

## Credit Suisse Solutions (Lux) Fund of Liquid Alternative Beta Funds

The reference currency in which the performance and Net Asset Value of the Subfund are calculated is USD. Investments may be denominated in any currency.

### Investment Objective

The Investment Objective of the Subfund is to manage its assets in accordance with the Liquid Alternative Beta strategy (the “**LAB Strategy**”). The LAB Strategy itself is a mechanism that seeks to achieve a similar risk/return profile as that of the Dow Jones Credit Suisse Hedge Fund Index (the “**DJ CS Hedge Fund Index**”), a market leading hedge fund industry benchmark which tracks the performance of approximately 450 funds.

The LAB Strategy consists of a theoretically calculated benchmark (the “**Liquid Alternative Beta Index**”) and aims to track the DJ CS Hedge Fund Index through a dynamic basket of liquid, tradable financial instruments, which are weighted in accordance with a proprietary algorithm. The Liquid Alternative Beta Index aims to track the DJ CS Hedge Fund Index without having actual exposure to individual hedge fund managers. The Liquid Alternative Beta Index is calculated by Credit Suisse Asset Management LLC (“**CSAM LLC**”) and serves as the aggregate index for the Liquid Alternative Beta Long/Short Liquid Index, the Liquid Alternative Beta Event Driven Liquid Index and the Liquid Alternative Beta Global Strategies Liquid Index. The individual strategy indices are weighted in the Liquid Alternative Beta Index in accordance with their respective weight within the DJ CS Hedge Fund Index.

Within the individual strategies CSAM LLC seeks to identify relevant risk factors that drive the strategy return and identifies liquid, tradable securities that capture the investment profile of these risk factors. The Liquid Alternative Beta Index relies on a proprietary mechanism to weight the factors appropriately in order to replicate the performance of the DJ CS Hedge Fund Index. The Liquid Alternative Beta Index ensures transparency through publicly available, daily valuations on the index website, [www.credit-suisse.com/lab](http://www.credit-suisse.com/lab). CSAM LLC has published the Liquid Alternative Beta Index since its inception in January 2010.

Further information on the DJ CS Hedge Fund Index is available on [www.hedgeindex.com](http://www.hedgeindex.com)

The tracking error between the Liquid Alternative Beta Index and the DJ CS Hedge Fund Index is 4.2% whilst the tracking error between the performance of the Subfund and the performance of the Liquid Alternative Beta Index is expected to be minor and to result only from trading costs, management fees and other replication constraints (e.g., size limitations applicable for trade orders).

### Investment Principles

The Investment Objective shall be achieved primarily through investments in units or shares of UCITS and/or in other UCIs (“**Target Funds**”) and on an ancillary basis or only in specific market situations in other UCITS eligible investments as further described below.

It is intended that the initial Target Funds will comprise the following funds (this list may change over time):

Credit Suisse SICAV One (Lux) Liquid Alternative Beta	a Luxembourg UCITS fund under Part I of the Law of 17 December 2010
Credit Suisse SICAV One (Lux) Liquid Global Strategies	a Luxembourg UCITS fund under Part I of the Law of 17 December 2010
Credit Suisse SICAV One (Lux) Liquid Long/Short	a Luxembourg UCITS fund under Part I of the Law of 17 December 2010
Credit Suisse SICAV One (Lux) Liquid Event Driven	a Luxembourg UCITS fund under Part I of the Law of 17 December 2010

Credit Suisse Nova (Lux) Leveraged LAB; and,	a Luxembourg UCI fund under Part II of the Law of 17 December 2010 (managed in accordance with the investment restrictions applicable to a Part I UCITS under the Law of 17 December 2010).
Money market funds and other short term fixed income funds	Luxembourg or foreign UCIs qualifying as UCITS funds or not

### Investment Policy

In order to achieve the Investment Objective, the Subfund will invest in Target Funds authorised according to Directive 2009/65/EC and/or Target Funds within the meaning of Article 1, paragraph (2) points a) and b) of Directive 2009/65/EC, including exchange-traded funds (ETF) in accordance with the provisions of Chapter 6, “Investment Restrictions”, section 1 e). Notwithstanding the provisions of Chapter 6, “Investment Restrictions” section 5, the Subfund may invest up to 100% of its net assets in units or shares of Target Funds it being understood that the Subfund will invest in at least five (5) Target Funds. All other provisions of Chapter 6, “Investment Restrictions”, relating to investments in Target Funds remain applicable.

Investments in closed end funds are equally permitted in accordance with the provisions of Chapter 6, “Investment Restrictions” up to 100% of the net assets of the Subfund to the extent such closed end funds qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and comply with the provisions of Article 2 (2) (a) and (b) of the Grand-Ducal Regulation of 8 February 2008.

The investments of the Target Funds are selected and weighted in accordance with algorithms that aim to approximate the returns or leveraged returns of the hedge fund universe, or of various sectors of the hedge fund universe.

The Subfund’s quantitative model uses various input parameters such as the historical returns and volatility from the universe of hedge funds, and uses multiple sequential regressions and other statistical estimation techniques to identify widely used financial indices that are UCITS eligible and/or financial instruments that will replicate on an aggregate basis the performance of the DJ CS Hedge Fund Index. It is expected that a majority of Target Funds will be managed by the Investment Manager with a view to delivering on an aggregate basis (i.e., across the various Target Funds) the performance of the Liquid Alternative Beta Index.

The Subfund may also invest on an ancillary basis or only in specific market situations in transferable securities comprising (i) equities listed on a stock exchange or dealt on a regulated market and equity-type securities including equity index futures and equity index options; (ii) debt securities listed on a stock exchange or dealt on a regulated market issued by financial or credit institutions or corporate issuers or sovereign states that are OECD members states and/or supranational; (iii) cash and cash equivalents; (iv) currencies, including currency forwards and futures; and (v) financial derivative instruments which are dealt in on a regulated market or over-the-counter. In addition, the Subfund may enter into repurchase agreements.

The changing characteristics of the universe of hedge funds are accounted for through a monthly rebalancing of the Subfund’s investments to ensure the continued representation of the risk/return characteristics of the Liquid Alternative Beta Index, which itself is rebalanced on a monthly basis.

### Specific Risk Factors

**In addition to the risks listed in Chapter 7, “Risk Factors” of the general part of the Prospectus, potential investors should be aware of specific risk warnings relating to the Subfund as follows:**

The Subfund is not an index tracker fund in the sense that it does not aim to invest into every constituent of the Liquid Alternative Beta Index (with the same weightings as those of the constituents of the Liquid Alternative Beta Index) or to gain a one-to-one exposure to

the Liquid Alternative Beta Index through a performance swap although the Investment Objective of the Subfund is to try to minimise the tracking error with the Liquid Alternative Beta Index. The Liquid Alternative Beta Index shall be used rather as a benchmark index by the Subfund. Similarly, there may be a significant tracking error between the performance of the Liquid Alternative Beta Index and the performance of the DJ CS Hedge Fund Index although the objective of the Liquid Alternative Beta Index is to aim for a high positive correlation with the DJ CS Hedge Fund Index.

The Subfund seeks to provide hedge fund-like returns within the UCITS framework, without direct or indirect investments in hedge funds where hedge funds typically invest on both long and short sides of markets, generally focusing on diversifying or hedging across various asset classes and regions or market capitalizations and where hedge fund investment managers generally have the flexibility to shift from different exposures and instruments and gain exposure to volatile, complex, or illiquid instruments while using leveraging techniques, including by using complex financial derivative instruments and/or borrowings.

Hedge funds – in spite of their name – do not necessarily have anything to do with hedging. Hedge funds comprising the Underlying Index are non-traditional funds, which can be described as forms of investment funds, companies and partnerships that use a wide variety of trading strategies including position taking in a range of markets and which employ an assortment of trading techniques and instruments, often including short-selling, derivatives and significant leverage. Three of the major risks in investing in hedge funds may, therefore, be their extensive use of short selling, derivatives and leverage.

#### **Global Exposure**

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

#### **Investor Profile**

The Subfund is suitable for long-term investors wishing to participate in a diversified market barometer of the hedge fund universe and willing to bear the risks associated with an exposure to replicated hedge fund strategies.

#### **Net Asset Value**

Notwithstanding the provisions of Chapter 8, “Net Asset Value”, the Net Asset Value of the Shares of the Subfund shall be calculated on each day on which banks are normally open all day for business in Luxembourg and New York (each such day being referred to as a “Valuation Day”).

#### **Subscription and Redemption of Shares**

Subscription and redemption applications must be received by the Central Administration or a Distributor by 3 p.m. (Central European Time) two Banking Days prior to the Valuation Day (as defined above). Subscription and redemption applications received after this cut-off point shall be deemed to have been duly received on the Banking Day prior to the next Valuation Day.

#### **Costs associated with Investments in Target Funds**

Besides the expenses incurred by the Management Company in managing the Subfund, a management fee shall be indirectly deducted from the assets of the Subfund in respect of the Target Funds contained therein. Contrary to what is stated in of section 5 of Chapter 6, “Investment Restrictions”, the Management Company may also charge a management fee for investments in Target Funds designated as Affiliated Funds in the aforementioned provision.

The cumulative management fee at Subfund and Target Fund level shall not exceed 4%.

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

#### **Assets entrusted with financial service providers**

In accordance with applicable law and the provisions of Chapter 17, “Custodian Bank”, the safekeeping of the assets of the Subfund may be entrusted to Credit Suisse AG, Zurich, which has been appointed to this effect by the Custodian Bank in agreement with

the Company to act as trustee or nominee who keeps the assets of the Subfund in its own name but for the account of the Custodian Bank on behalf of the Subfund. Credit Suisse AG, Zurich shall ensure that the assets kept for the account of the Custodian Bank on behalf of the Subfund are segregated from other assets maintained by Credit Suisse AG, Zurich for its own account or the account of third parties. The liability of the Custodian Bank shall not be affected by the fact that assets of the Subfund are entrusted to third parties in accordance with the principles set forth herein.

#### **Investment Manager**

The Management Company has appointed Credit Suisse Asset Management, LLC, One Madison Avenue, New York, NY 10010, USA, as Investment Manager to assist with the management of this Subfund.

#### **Further information**

A complete description of the Liquid Alternative Beta Index is available to investors upon request at the registered office of the Management Company.

## Credit Suisse Solutions (Lux) Multimanager Equity Emerging Markets

The Reference Currency in which the performance and net asset value of the Subfund are calculated is the US-Dollar. Investments may be denominated in any currency.

### Investment Objective

The investment objective of the Subfund is to obtain the highest possible capital appreciation in its reference currency while taking account of the principles of risk-spreading, security of capital and liquidity.

### Investment Principles

The net assets of this Subfund shall be mainly invested, in accordance with the principle of risk-spreading, in a diversified portfolio of investment funds ("Target Funds") which themselves invest their assets primarily in equities or equity-type securities of companies which have their registered office, or conduct an overwhelming majority of their business operations, in emerging markets. In addition, the Subfund may invest part or all of its remaining assets in equities or equity-type securities of companies which have their registered office, or conduct an overwhelming majority of their business operations, in emerging markets. Within this framework, Target Funds and issuers are selected irrespective of their sector-specific, theme-specific or geographic focus. In this context, emerging countries are defined as countries which are not considered by the International Monetary Fund, World Bank, International Finance Corporation (IFC) or by a leading index provider, high-income industrialized countries.

The term "Multimanager" in the Subfund's name reflects the fact that the Target Funds will be managed by separate managers.

### Investment Instruments

The Subfund shall invest globally in Target Funds authorised according to Directive 2009/65/EC ("UCITS") and/or other Target Funds within the meaning of Article 1, paragraph (2) points a) and b) of Directive 2009/65/EC, including exchange-traded funds (ETF) in accordance with the provisions of Chapter 6, "Investment Restrictions", section 1 e). Notwithstanding the provisions of Chapter 6, "Investment Restrictions" section 5, the Subfund may invest up to 100% of its net assets in units or shares of Target Funds. All other provisions of Chapter 6, "Investment Restrictions", relating to investments in Target Funds remain applicable.

Investments in closed end funds are equally permitted in accordance with the provisions of Chapter 6, "Investment Restrictions" up to 100% of the net assets of the Subfund to the extent such closed end funds qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and comply with the provisions of Article 2 (2) (a) and (b) of the Grand-Ducal Regulation of 8 February 2008.

In accordance with section 1 g) of Chapter 6, "Investment Restrictions" and subject to the aforementioned investment principles, the Subfund may invest up to 49% of its net asset value in derivatives. Derivatives may also be used in the interest of the efficient management of the portfolio or for hedging purposes, provided any applicable limits set out in Chapter 6, "Investment Restrictions" are observed. The overall risk associated with the derivatives must not exceed the total Net Asset Value of the Subfund. In terms of risk calculations, the market value of the underlying instruments together with premiums paid, the counterparty's default risk, future market fluctuations and the time required to realize the positions must be taken into account. Derivatives acquired in order to hedge all or part of portfolio items against changes in market risk are not factored into this calculation. This possibility is reserved solely for cases in which the risk-reducing effect is evident and free of all doubt. In order to hedge currency risks, the 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 specializing in this type of transaction.

Furthermore, the Subfund may actively manage its currency exposure through the use of the before-mentioned derivative instruments. The combined currency derivative exposure entered into by the Subfund must be net long in the Subfund's Reference

Currency. Any indices on which derivatives are based shall be chosen in accordance with Article 9 of the Grand-Ducal Regulation of 8 February 2008.

The Subfund may invest up to 49% of its net assets in equities or equity-type securities.

The Subfund may invest up to 30% of its net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class banks (or by issuers that offer investor protection comparable to that provided by first-class banks), and facilitate exposure to the investment universe specified above. These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010. Moreover, these products must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of 17 December 2010, such products must not entail any leverage. The derivatives embedded in such structured products may only be based on investment instruments specified in Chapter 6, section 1. As well as satisfying the regulations on risk spreading, the asset baskets and underlying indices must be sufficiently diversified.

The Subfund may hold liquid assets on an ancillary basis in such currencies in which investments are conducted or in which the redemption price is paid out. Such liquid assets, together with debt instruments which generate interest income within the meaning of EU Directive 2003/48/EC, may not exceed 25% of the net assets of the Subfund.

### Global Exposure

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

### Specific Risk Factors

As the assets of the Subfunds are subject to normal market fluctuations, no guarantee can be given that the Subfunds in question will achieve their investment objective.

Investments in emerging countries are exposed to the following risks (among others): less effective public supervision, accounting and auditing methods and standards which do not match the requirements of Western legislation, possible restrictions on repatriation of the capital invested, counterparty risk in respect of individual transactions, market volatility and insufficient liquidity affecting the Subfund's investments.

It must also be borne in mind that companies are selected regardless of the market capitalization (micro, small, mid, large caps), sector or geographical focus. This may lead to a concentration in terms of market segments, sectors, geography and currency.

A fluctuation in the exchange rate of local currencies worldwide in relation to the reference currency will bring about a corresponding, simultaneous fluctuation in the net assets of the Subfund as expressed in the reference currency, while local currencies may be subject to foreign exchange restrictions.

Dividends generated by the Company's investments for the account of the Subfund may be subject to non-recoverable withholding tax. This could impair the Subfund's income. Furthermore, capital gains generated by the Company's investments for the account of the Subfund may also be subject to capital gain tax and to repatriation limitations.

Further information on the risks of equity investments, investments in emerging markets and in REITS is set out in Chapter 7, "Risk Factors".

Investors should note that investments in Target Funds may incur the same costs both at the Subfund's level and at the level of the Target Funds. Furthermore, the value of the units in the Target Funds may be affected by currency fluctuations, currency exchange transactions, tax regulations (including the levying of withholding tax) and any other economic or political factors or changes in the countries in which the Target Fund is invested, along with the aforementioned risks associated with exposure to the emerging markets. The investment of the assets of the respective Subfund in units of Target Funds entails a risk that the redemption of the units is subject to restrictions, with the consequence that such investments may be less liquid than other types of investment as the case may be.

The use of derivatives also involves specific risks. Accordingly, potential investors are referred in particular to the risks associated with derivatives set out in Chapter 7, "Risk Factors".

In addition, potential investors should note that various money flow risks arising from adjustments necessitated by subscriptions and redemptions may reduce the targeted return.

Moreover, potential investors should be aware of the fact that the counterparty risk cannot be eliminated completely in derivative strategies. The Subfund, however, will endeavour to minimize these risks by engaging in various hedging activities.

**Investors should note in particular that dividends generated by the Company's investments for the account of the Subfund may be subject to non-recoverable withholding tax. This could impair the Subfund's income. Furthermore, capital gains generated by the Company's investments for the account of the Subfund may also be subject to capital gains tax and to repatriation limitations.**

Investments in the respective Subfund are subject to price fluctuations. There can therefore be no guarantee that the investment objective will be met.

#### **Investor Profile**

This Subfund is suitable for investors wishing to participate in the development of Emerging equity Markets. Investors will be looking for a diversified exposure to companies in this economic area.

As the investments are focused on equities, which can be subject to wide fluctuations in value, investors should have a medium to long investment horizon.

#### **Subscription, Redemption and Conversion of Shares**

Subscription, redemption and conversion applications must be received by the Central Administration or a Distributor by 3 p.m. (Central European Time) two Banking Days prior to the Valuation Day (as defined above). Subscription, redemption and conversion applications received after this cut-off point shall be deemed to have been duly received on the Banking Day prior to the next Valuation Day.

#### **Costs Associated with Investments in Target Funds**

Besides the expenses incurred by the Management Company in managing the Subfund, a management fee shall be indirectly deducted from the assets of the Subfund in respect of the Target Funds contained therein.

Notwithstanding the provisions of section 5 of Chapter 6, "Investment Restrictions", the Management Company may also charge a management fee for investments in Target Funds designated as Affiliated Funds in the aforementioned provision.

The cumulative management fee at Subfund and Target Fund level shall not exceed 3%.

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

#### **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 Share in the event of a net surplus of subscription applications or reduced by up to a maximum of 2% per Share 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 Company may, in the interest of Shareholders, decide to increase the maximum swing factor indicated above. In such case the Company would inform the investors in accordance with Chapter 14, "Information for Shareholders".

#### **Investment Manager**

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Manager to assist with the management of this Subfund.

## Credit Suisse Solutions (Lux) Multimanager Equity Japan

The Reference Currency in which the performance and net asset value of the Subfund are calculated is the Japanese Yen. Investments may be denominated in any currency.

### Investment Objective

The investment objective of the Subfund is to obtain the highest possible capital appreciation in its reference currency while taking due account of the principles of risk-spreading, security of capital and liquidity.

### Investment Principles

The net assets of this Subfund shall be mainly invested, in accordance with the principle of risk-spreading, in a diversified portfolio of investment funds ("Target Funds") which themselves invest their assets primarily in equities or equity-type securities of companies which have their registered office, or conduct an overwhelming majority of their business operations, in Japan. In addition, the Subfund may invest part or all of its remaining assets in equities or equity-type securities of companies which have their registered office, or conduct an overwhelming majority of their business operations, in Japan. The securities issued by these companies may be listed on Japanese or on other foreign securities exchanges or traded on other regulated markets in a member country of the Organization for Economic Co-operation and Development (OECD) that operate regularly and are recognized and open to the public.

Within this framework, Target Funds and issuers are selected irrespective of their sector-specific or theme-specific focus.

The term "Multimanager" in the Subfund's name reflects the fact that the Target Funds will be managed by separate managers.

### Investment Instruments

The Subfund shall invest globally in Target Funds authorised according to Directive 2009/65/EC ("UCITS") and/or other Target Funds within the meaning of Article 1, paragraph (2) points a) and b) of Directive 2009/65/EC, including exchange-traded funds (ETF) in accordance with the provisions of Chapter 6, "Investment Restrictions", section 1 e). Notwithstanding the provisions of Chapter 6, "Investment Restrictions" section 5, the Subfund may invest up to 100% of its net assets in units or shares of Target Funds. All other provisions of Chapter 6, "Investment Restrictions", relating to investments in Target Funds remain applicable.

Investments in closed end funds are equally permitted in accordance with the provisions of Chapter 6, "Investment Restrictions" up to 100% of the net assets of the Subfund to the extent such closed end funds qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and comply with the provisions of Article 2 (2) (a) and (b) of the Grand-Ducal Regulation of 8 February 2008.

In accordance with section 1 g) of Chapter 6, "Investment Restrictions", and subject to the aforementioned investment principles, the Subfund may invest up to 49% of its net asset value in derivatives. Derivatives may also be used in the interest of the efficient management of the portfolio or for hedging purposes, provided any applicable limits set out in Chapter 6, "Investment Restrictions" are observed. The overall risk associated with the derivatives must not exceed the total Net Asset Value of the Subfund. In terms of risk calculations, the market value of the underlying instruments together with premiums paid, the counterparty's default risk, future market fluctuations and the time required to realize the positions must be taken into account. Derivatives acquired in order to hedge all or part of portfolio items against changes in market risk are not factored into this calculation. This possibility is reserved solely for cases in which the risk-reducing effect is evident and free of all doubt. In order to hedge currency risks, the 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 specializing in this type of transaction. Furthermore, the Subfund may actively manage its currency exposure through the use of the before-mentioned derivative instruments. The combined currency derivative exposure entered

into by the Subfund must be net long in the Subfund's Reference Currency. Any indices on which derivatives are based shall be chosen in accordance with Article 9 of the Grand-Ducal Regulation of 8 February 2008.

The Subfund may invest up to 49% of its net assets in equities or equity-type securities.

The Subfund may invest up to 30% of its net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class banks (or by issuers that offer investor protection comparable to that provided by first-class banks), and facilitate exposure to the investment universe specified above. These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010. Moreover, these products must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of 17 December 2010, such products must not entail any leverage. The derivatives embedded in such structured products may only be based on investment instruments specified in Chapter 6, section 1. As well as satisfying the regulations on risk spreading, the asset baskets and underlying indices must be sufficiently diversified.

The Subfund may hold liquid assets on an ancillary basis in such currencies in which investments are conducted or in which the redemption price is paid out. Such liquid assets, together with debt instruments which generate interest income within the meaning of EU Directive 2003/48/EC, may not exceed 25% of the net assets of the Subfund.

### Global Exposure

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

### Specific Risk Factors

Investors shall note that the Subfund restricts itself to investing in securities of issuers located in a particular country and that such concentration will expose the Subfund to the risk of adverse natural disasters, social, political or economic events which may occur in that country. Due to the geographical focus, the Subfund presents increased opportunities countered by equally high risks.

As the assets of the Subfunds are subject to normal market fluctuations, no guarantee can be given that the Subfunds in question will achieve their investment objective.

It must be borne in mind that companies are selected regardless of the market capitalization (micro, small, mid, large caps) or sector. This may lead to a concentration in terms of market segments, sectors and currency.

A fluctuation in the exchange rate of local currencies in relation to the reference currency will bring about a corresponding, simultaneous fluctuation in the net assets of the Subfund as expressed in the reference currency, while local currencies may be subject to foreign exchange restrictions.

Dividends generated by the Company's investments for the account of the Subfund may be subject to non-recoverable withholding tax. This could impair the Subfund's income.

Investors should note that investments in Target Funds may incur the same costs both at the Subfund's level and at the level of the Target Funds. Furthermore, the value of the units in the Target Funds may be affected by currency fluctuations, currency exchange transactions, tax regulations (including the levying of withholding tax) and any other economic or political factors or changes in the countries in which the Target Fund is invested, along with the aforementioned risks associated with exposure to the emerging markets. The investment of the assets of the respective Subfund in units of Target Funds entails a risk that the redemption of the units is subject to restrictions, with the consequence that such investments may be less liquid than other types of investment as the case may be.

The use of derivatives also involves specific risks. Accordingly, potential investors are referred in particular to the risks associated with derivatives set out in Chapter 7, "Risk Factors". In addition, potential investors should note that various money flow risks arising from adjustments necessitated by subscriptions and redemptions may reduce the targeted return. Moreover, potential investors should be aware of the fact that the counterparty risk cannot be

eliminated completely in derivative strategies. The Subfund, however, will endeavour to minimize these risks by engaging in various hedging activities.

**Investors should note in particular that dividends generated by the Company's investments for the account of the Subfund may be subject to non-recoverable withholding tax. This could impair the Subfund's income. Furthermore, capital gains generated by the Company's investments for the account of the Subfund may also be subject to capital gains tax and to repatriation limitations.**

Investments in the respective Subfund are subject to price fluctuations. There can therefore be no guarantee that the investment objective will be met.

#### **Investor Profile**

This Subfund is suitable for investors wishing to participate in the development of Japanese equity markets. Investors will be looking for a diversified exposure to companies in this economic area.

As the investments are focused on equities, which can be subject to wide fluctuations in value, investors should have a medium to long investment horizon.

#### **Subscription, Redemption and Conversion of Shares**

Subscription, redemption and conversion applications must be received by the Central Administration or a Distributor by 3 p.m. (Central European Time) two Banking Days prior to the Valuation Day (as defined above). Subscription, redemption and conversion applications received after this cut-off point shall be deemed to have been duly received on the Banking Day prior to the next Valuation Day.

#### **Costs Associated with Investments in Target Funds**

Besides the expenses incurred by the Management Company in managing the Subfund, a management fee shall be indirectly deducted from the assets of the Subfund in respect of the Target Funds contained therein.

Notwithstanding the provisions of section 5 of Chapter 6, "Investment Restrictions", the Management Company may also charge a management fee for investments in Target Funds designated as Affiliated Funds in the aforementioned provision.

The cumulative management fee at Subfund and Target Fund level shall not exceed 3%.

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

#### **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 Share in the event of a net surplus of subscription applications or reduced by up to a maximum of 2% per Share 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 Company may, in the interest of Shareholders, decide to increase the maximum swing factor indicated above. In such case the Company would inform the investors in accordance with Chapter 14, "Information for Shareholders".

#### **Investment Manager**

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Manager to assist with the management of this Subfund.

## Credit Suisse Solutions (Lux) Multimanager Enhanced Fixed Income USD

The Reference Currency in which the performance and net asset value of the Subfund are calculated is the US-Dollar. Investments may be denominated in any currency.

### Investment Objective

The investment objective of the Subfund is to obtain the highest possible capital appreciation in its reference currency while taking account of the principles of risk-spreading, security of capital and liquidity.

### Investment Principles

The net assets of this Subfund shall be mainly invested worldwide, in accordance with the principle of risk-spreading, in a diversified portfolio of investment funds ("Target Funds") which themselves invest their assets primarily in debt instruments, including asset-backed and mortgage-backed securities. The Subfund may to a large extent take exposure to issuers domiciled in emerging markets.

In this context, emerging countries are defined as countries which are not considered by the International Monetary Fund, World Bank, International Finance Corporation (IFC) or by a leading index provider, high-income industrialized countries.

For the purpose of achieving its investment objective, the Subfund may make greater use of derivative instruments, subject to the investment restrictions set out below.

The term "Multimanager" in the Subfund's name reflects the fact that the Target Funds will be managed by separate managers.

### Investment Instruments

The Subfund shall invest globally in Target Funds authorised according to Directive 2009/65/EC ("UCITS") and/or other Target Funds within the meaning of Article 1, paragraph (2) points a) and b) of Directive 2009/65/EC, including exchange-traded funds (ETF) in accordance with the provisions of Chapter 6, "Investment Restrictions", section 1 e). Notwithstanding the provisions of Chapter 6, "Investment Restrictions" section 5, the Subfund may invest up to 100% of its net assets in units or shares of Target Funds. All other provisions of Chapter 6, "Investment Restrictions", relating to investments in Target Funds remain applicable.

Investments in closed end funds are equally permitted in accordance with the provisions of Chapter 6, "Investment Restrictions" up to 100% of the net assets of the Subfund to the extent such closed end funds qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010 and comply with the provisions of Article 2 (2) (a) and (b) of the Grand-Ducal Regulation of 8 February 2008.

Up to 49% of the Subfund's net assets may be invested in bonds, notes, similar fixed- or variable-income securities (including convertible bonds, convertible notes, warrant bonds and warrants on securities as well as warrants of public, private and semiprivate issuers which are domiciled in a country belonging to the Organisation for Economic Cooperation and Development (OECD)).

In accordance with section 1 g) of Chapter 6, "Investment Restrictions", " and subject to the aforementioned investment principles, the Subfund may invest up to 49% of its net asset value in derivatives. Derivatives may also be used in the interest of the efficient management of the portfolio or for hedging purposes, provided any applicable limits set out in Chapter 6, "Investment Restrictions" are observed. The overall risk associated with the derivatives must not exceed the total Net Asset Value of the Subfund. In terms of risk calculations, the market value of the underlying instruments together with premiums paid, the counterparty's default risk, future market fluctuations and the time required to realize the positions must be taken into account. Derivatives acquired in order to hedge all or part of portfolio items against changes in market risk are not factored into this calculation. This possibility is reserved solely for cases in which the risk-reducing effect is evident and free of all doubt. In order to hedge currency risks, the 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 specializing in this type of transaction. Furthermore, the Subfund may actively manage its currency exposure through the use of the before-mentioned derivative instruments. The combined currency derivative exposure entered into by the Subfund must be net long in the Subfund's Reference Currency. Any indices on which derivatives are based shall be chosen in accordance with Article 9 of the Grand-Ducal Regulation of 8 February 2008.

The Subfund may invest up to 30% of its net assets in structured products (certificates, notes) that are sufficiently liquid, are issued by first-class banks (or by issuers that offer investor protection comparable to that provided by first-class banks), and facilitate exposure to the investment universe specified above. These structured products must qualify as transferable securities pursuant to Article 41 of the Law of 17 December 2010. Moreover, these products must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of 17 December 2010, such products must not entail any leverage. The derivatives embedded in such structured products may only be based on investment instruments specified in Chapter 6, section 1. As well as satisfying the regulations on risk spreading, the asset baskets and underlying indices must be sufficiently diversified. The Subfund may invest up to 20% of its total net assets directly or indirectly in asset-backed securities and mortgage-backed securities.

The Subfund may hold liquid assets on an ancillary basis in such currencies in which investments are conducted or in which the redemption price is paid out

### Global Exposure

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

### Specific Risk Factors

As the assets of the Subfunds are subject to normal market fluctuations, no guarantee can be given that the Subfunds in question will achieve their investment objective.

Investors should be aware that investments in emerging markets carry a greater risk due to the political and economic situation in such countries. Investments in emerging markets are exposed to the following risks (among others): restrictions on the repatriation of capital, credit risk vis-à-vis the parties involved in individual transactions, political change, government regulation, social unrest or diplomatic developments (including war) in such markets, market volatility or insufficient liquidity on the part of the Subfund. The risks cited may be aggravated by the conditions prevailing in emerging countries. Securities markets in the emerging economies are generally more volatile (price fluctuations) and less liquid than established securities markets.

Since the Subfund may invest in debt instruments in the non-investment grade sector, respectively in Target Funds investing in debt instruments in the non-investment grade sector, investors shall note that 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. It must be borne in mind that issuers are selected regardless of the market capitalization (micro, small, mid, large caps), sector or geographical focus. This may lead to a concentration in terms of market segments, sectors, geography and currency.

A fluctuation in the exchange rate of local currencies in relation to the reference currency will bring about a corresponding, simultaneous fluctuation in the net assets of the Subfund as expressed in the reference currency, while local currencies may be subject to foreign exchange restrictions.

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

markets. The investment of the assets of the respective Subfund in units of Target Funds entails a risk that the redemption of the units is subject to restrictions, with the consequence that such investments may be less liquid than other types of investment as the case may be.

Most asset-backed and mortgage-backed securities entail additional and different risks compared with conventional fixed-interest instruments as they additionally feature early-call rights (prepayment options), credit or loan-loss risks relating to the underlying assets. When interest rates trend downwards, it may be assumed that the early-call rights (prepayment options) are more likely to be exercised. As a rule, the amounts repaid can only be invested at the lower interest rates prevailing at this point in time. These securities can therefore be expected to experience less growth in value at times of falling interest rates than other fixed-income securities; moreover, they are probably less suitable for fixing a specific return. When interest rates are rising, however, asset-backed and mortgage-backed securities are generally subject to the same risk of depreciation as other fixed-income instruments. The credit ratings awarded by rating agencies should provide a way of assessing the security of the capital and of the interest payments on the securities rated. There is no certainty that the rating agencies promptly adjust their ratings in line with changes in the economic situation or in the issuer's situation which could affect the market value of the security concerned. Investments in asset-backed or mortgage-backed securities may prove extremely volatile. Investors must expect potentially large capital losses. The Management Company will seek to minimize such risks by a strict selection of investments acquired and by an appropriate spreading of risk. Even so, the risk of a total loss cannot be ruled out. Moreover, it is not inconceivable that the Subfund will invest in asset-backed and mortgage-backed securities that are poorly liquid or that such investments may become less liquid after they have been acquired. Therefore, there may not be reliable price sources for such securities, and it is possible that prices will only be fixed only once a week or even less frequently, with the result that a valuation of such securities based on the available price sources proves imprecise. If securities are sold owing to redemptions, considerable discrepancies may arise between the last valuation of the securities concerned and the actual proceeds obtained by the counterparty.

The use of derivatives also involves specific risks. Accordingly, potential investors are referred in particular to the risks associated with derivatives set out in Chapter 7, "Risk Factors".

In addition, potential investors should note that various money flow risks arising from adjustments necessitated by subscriptions and redemptions may reduce the targeted return. Moreover, potential investors should be aware of the fact that the counterparty risk cannot be eliminated completely in derivative strategies. The Subfund, however, will endeavour to minimize these risks by engaging in various hedging activities.

#### **Investor Profile**

Potential investors include both private and institutional investors of all sizes who want to invest a part of their portfolio commensurate with their requirements in a diversified fixed income investment funds portfolio as well as directly in debt instruments worldwide, including amongst others but not limited to inflations linked securities, ABS/MBS and emerging market debt instruments.

#### **Subscription, Redemption and Conversion of Shares**

Subscription, redemption and conversion applications must be received by the Central Administration or a Distributor by 3 p.m. (Central European Time) two Banking Days prior to the Valuation Day (as defined above). Subscription, redemption and conversion applications received after this cut-off point shall be deemed to have been duly received on the Banking Day prior to the next Valuation Day.

#### **Costs Associated with Investments in Target Funds**

Besides the expenses incurred by the Management Company in managing the Subfund, a management fee shall be indirectly deducted from the assets of the Subfund in respect of the Target Funds contained therein.

Notwithstanding the provisions of section 5 of Chapter 6, "Investment Restrictions", the Management Company may also

charge a management fee for investments in Target Funds designated as Affiliated Funds in the aforementioned provision.

The cumulative management fee at Subfund and Target Fund level shall not exceed 3%.

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

#### **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 Share in the event of a net surplus of subscription applications or reduced by up to a maximum of 2% per Share 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 Company may, in the interest of Shareholders, decide to increase the maximum swing factor indicated above. In such case the Company would inform the investors in accordance with Chapter 14, "Information for Shareholders".

#### **Investment Manager**

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Manager to assist with the management of this Subfund.

## Credit Suisse Solutions (Lux) FX Diversified Fund

The reference currency in which the performance and net asset value of the Subfund are calculated is USD. Investments may be denominated in any currency.

### Investment Objective

The Investment Objective of the Subfund is to provide the Shareholders with an appropriate return on the Subfund's investments over various macroeconomic cycles while taking into account of the principles of risk spreading, security of capital and liquidity of the Subfund's assets, in addition to the Investment Restrictions described in the general part of the Prospectus above.

More specifically, the Investment Objective of the Subfund is to provide the Shareholders with a return linked to the performance of the Credit Suisse FX Diversified Index (the **Index**), as described below under « Index Conditions ». The Index is a financial index designed to represent a diversified composite of managed accounts on managed account platforms across defined investment strategies in the foreign exchange hedge fund market. The allocation model applied aims to minimize the drawdown risk of the overall FX portfolio comprising the Index. The Index is a total return index, calculated and published by Citibank, N.A., London Branch (CBNA) (the **Index Calculation Agent**).

### Investment Principles

In order to achieve the Investment Objective, the Subfund will mainly invest all or part of the net proceeds of any issue of Shares in one or more OTC swap transactions negotiated at arm's length with a first class financial institution (the **Swap Counterparty**) and exchange the invested net proceeds against a payoff linked to the Index. Accordingly, the Subfund may be at any time fully or partially exposed to one or more OTC Swap transaction(s).

### Investment Policy

In order to achieve its Investment Objective, the Subfund shall (a) invest the subscription net proceeds collected when issuing Shares of the Subfund into transferable securities issued by (i) financial institutions or corporates, (ii) sovereign states that are OECD Member States and/or supranational organizations/entities, (iii) special purpose vehicles that are rated (or invested in rated bonds), and/or (iv) potentially some cash deposits with financial institutions, in each case with investment grade ratings by a recognised rating agency or equivalent long-term credit ratings at the time of the investment (the **Subfund's Assets**) in accordance with the applicable investment restrictions as laid down in the section "Investment Restrictions" of the general part of the Prospectus and (b) enter into an asset swap (the **Asset Swap**) with a predetermined investment term on an arm's length basis with the Swap Counterparty. For the avoidance of doubt, the Subfund shall not invest the net proceeds of any issue of Shares in one or more derivative contracts in the form of funded swaps.

The purpose of the Asset Swap is to add the returns of the Index to the Subfund (the "FX Diversified Fund").

The Subfund is accumulating income and does not pay any distributions to shareholders.

Copies of the OTC swap confirmation letters are available upon request from the Management Company's registered office.

A sale of some of the Subfund's Assets and/or a partial termination of the Asset Swap may occur to reflect the redemption of Shares in the Subfund.

The Subfund may also invest on an ancillary basis in listed certificates referenced to the Index and/or any other similar FX hedge fund index in accordance with the applicable investment restrictions as laid down in Chapter 6, "Investment Restrictions" of the general part of the Prospectus and subject to the prior approval of the Luxembourg supervisory authority.

When applying the limits specified in section 4) a) of "Investment Restrictions" of the general part of the Prospectus to the OTC swap transactions (an Asset Swap), reference should be made to the net counterparty risk exposure. Thus, the Management Company will reduce the gross counterparty risk of the Subfund's OTC swap transactions by causing the Swap Counterparty to deliver to the Subfund collateral eligible under the CSSF Circular 11/512 in the

form of (i) liquid assets, (ii) bonds issued or guaranteed by a Member State of the OECD or their regional public authorities or by supranational institutions and undertakings of community, regional or worldwide nature, (iii) shares or units issued by money market UCITS rated AAA or its equivalent and (iv) shares or units issued by bond UCITS rated AAA or its equivalent and provided that such UCITS do not exchange the performance of the bonds against the performance of another asset class. Such collateral will be kept by a first class financial institution in a segregated account opened on behalf of the Subfund and shall be enforceable by the Management Company for the account of the Subfund at all times and will be marked to market on a daily basis.

The Company may borrow for the account of a Subfund, up to 10% of the Net Asset Value of the Subfund provided that such borrowing is on a temporary basis. Such borrowing may be used for liquidity purposes (e.g., to cover cash shortfall caused by mismatched settlement dates on purchase and sale transactions, finance repurchases or pay fees reverting to a service provider) and/or for investment purposes. The assets of the Subfund may be charged as security for any such borrowings in accordance with the principle of segregation of assets and liabilities provided by Article 181 (5) of the Law of 17 December 2010.

The Subfund will have no maturity date. However, the Board of Directors may decide to terminate the Subfund in accordance with the rules set out in the Prospectus and the Articles of Incorporation.

### Specific Risk Factors

**In addition to the risks listed in (i) Chapter 7, "Risk Factors" of the general part of the Prospectus and (ii) section 9 "Risk Factors" under the section "Index Conditions" below, potential investors should be aware of specific risk warnings relating to the Subfund as follows:**

- The Index Sponsor has the discretion to suspend the Index in the circumstances set out in the Index Conditions (as defined below) under the section "6 Market Disruption Events" and "7 Publication Cancellation Events". During a suspension period no calculations in respect of the Index will be undertaken and the Rebalancing Process will be delayed until after the end of the suspension period. If the Index is cancelled, the Rebalancing Process likewise may be suspended.
- None of the Shareholders, the Company or the Management Company will have any direct interest or right in any asset underlying the Index.
- Information in respect of conflicts of interest is set out in the paragraph headed "Potential conflicts of interest" in the Chapter 7 "Risk Factors" in the general part of the Prospectus. In particular, Credit Suisse AG is acting as the Index Sponsor where Citibank, N.A., London Branch is acting as Index Calculation Agent. Conflicts of interest may exist or arise between these different capacities in which the various Credit Suisse or Citibank entities act. Any Credit Suisse or Citibank entity may act independently in any of these capacities and without reference to the fact that it or any other Credit Suisse or Citibank entity is acting in any other capacity. Alternatively, any Credit Suisse or Citibank entity may, in acting in any of these capacities, consider and be influenced by the fact that it, or any other Credit Suisse or Citibank entity is acting in another capacity.
- Subject always to their regulatory obligations in performing each or any of these roles, the Credit Suisse and Citibank entities, acting in any capacity, do not act on behalf of, or accept any duty of care or any fiduciary duty to Shareholders of the Subfund or any other person except as required by law. Excluding the Investment Manager, no Credit Suisse or Citibank entity is acting as an investment adviser or manager or providing advice of any nature and assumes no fiduciary obligations whatsoever to any investors in the Shares or any other party.

### Global Exposure

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

## Investor Profile

The Subfund is suitable for investors with a relatively long investment horizon who wish to participate in a diversified market barometer of the FX hedge fund universe and who are willing to bear the risks associated with an exposure to the investable FX hedge fund index universe.

<b>Launch Date</b>	Means 14 May 2013 or such earlier or later date as the Board of Directors may determine. The Board of Directors reserves the right to close and/or reopen the Subfund for further subscriptions at any time at its sole discretion.
<b>Early Termination Events</b>	The Subfund may be terminated by the Management Company, in its sole and absolute discretion, by notice in writing to the Shareholders at least one (1) month before becoming effective, in any of the following events: (i) if at any time the Net Asset Value of the Subfund falls below the minimum Net Asset Value of USD 20 million; (ii) if Suspension Events, Market Disruption Events or Potential Cancellation Events (as defined below) affect on a permanent basis the determination of the Index Level; (iii) if the Subfund shall cease to be authorised or otherwise officially approved; (iv) if any law shall be passed which renders it illegal or in the opinion of the Management Company impossible to continue the Subfund; (v) if there is a change in material aspects of the business, in the economic or political situation relating to the Subfund which would have material adverse consequences on the investments of the Subfund or the interests of the Shareholders.
<b>Dividends</b>	The Subfund may distribute periodic dividends.
<b>Listing</b>	Not applicable.

## Net Asset Value

Notwithstanding the provisions of Chapter 8, "Net Asset Value", the net asset value of the Shares of the Subfund shall be calculated on both a weekly and a monthly basis.

### Weekly Net Asset Values:

The weekly net asset values shall be based on the Index Level of each Wednesday or, where a Wednesday is not a Banking Day in London, New York, Luxembourg and Zurich (a "**Banking Day**"), the next Banking Day following such Wednesday (a "**Weekly Index Level Date**").

The net asset value shall be calculated on the next Banking Day in Luxembourg following such Weekly Index Level Date (a "Valuation Day").

### Monthly Net Asset Values:

The monthly net asset values shall be based on the Index Level of the last Banking Day of each month (a "**Monthly Index Level Date**"). The net asset value shall be calculated on the next Banking Day in Luxembourg following such Monthly Index Level Date.

## Subscription, Redemption and Conversion of Shares

Divergent from Chapter 5, "Investment in Credit Suisse Solutions (Lux)", subscription, redemption and conversion applications shall take place every two weeks. Subscription, redemption and conversion applications must be received by the Central Administration (or a Distributor) at least six (6) Banking Days by 12 a.m. (noon time) (Central European Time) (a "**Dealing Day**") prior to the relevant Valuation Day (as defined above) in order to be processed on the basis of the Net Asset Value per Share calculated on such Valuation Day.

Subscription, redemption and conversion applications received after this time shall be deemed to have been promptly received before the next Valuation Day.

The payment of the issue price must be effected two (2) Banking Days after the Valuation Day on which the issue price of the Shares was determined.

Divergent from Chapter 5., "Investment in Credit Suisse Solutions (Lux)" section iii, the payment of the redemption proceeds shall be made two (2) Banking Days following the calculation of the redemption price.

The conversion of Shares shall be effected only if the requirements for the Class of Shares into which such Shares are converted, are satisfied.

The Conversion request must state either an amount or the number of Shares of the relevant Share Class which the Shareholder wishes to convert.

The conversion of Shares shall take place on the basis of the applicable Net Asset Value per Share calculated on the applicable Valuation Day following the submission of the application, by the simultaneous:

- i) redemption of the number of Shares of the relevant Share Class specified in the conversion request at the Net Asset Value per Share of the relevant Class of Shares; and
- ii) issue of Shares of the Class into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Share Class.

Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued shall be calculated by converting the proceeds resulting from the redemption of the Shares subject to conversion into the currency in which the Shares to be issued are denominated and after deducting any fees and exchange commissions resulting from such currency conversion.

If an application for conversion of Shares would result in the Shareholder holding Shares of a particular Share Class in the Subfund with an aggregate Net Asset Value which is less than the applicable minimum holding, the Company may, without further notice to the Shareholder, treat such conversion request as an application for the conversion of all Shares of that Class into Shares of the other Class in the Subfund.

Such minimum holding requirement may be waived in any particular case at the sole discretion of the Company.

The occurrence of Suspension Events, Market Disruption Events or Potential Cancellation Events (as defined below) affecting the determination of the Index Level may lead to a temporary suspension of the calculation the net asset value of the Shares of the Subfund and the suspension of the processing of subscription, conversion or redemption orders.

## Assets entrusted with financial service providers

In accordance with applicable law and the provisions of Chapter 17, "Custodian Bank", the safekeeping of the assets of the Subfund may be entrusted to Credit Suisse AG, Zurich, which has been appointed to this effect by the Custodian Bank in agreement with the Company to act as trustee or nominee who keeps the assets of the Subfund in its own name but for the account of the Custodian Bank on behalf of the Subfund. Credit Suisse AG, Zurich shall ensure that the assets kept for the account of the Custodian Bank on behalf of the Subfund are segregated from other assets maintained by Credit Suisse AG, Zurich for its own account or the account of third parties. The liability of the Custodian Bank shall not be affected by the fact that assets of the Subfund are entrusted to third parties in accordance with the principles set forth herein.

## Investment Manager

The Management Company has appointed Credit Suisse AG, Zurich, as Investment Manager to assist with the management of this Subfund.

## Summary of the Index Conditions

*This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. Defined terms not defined in this summary*

have the meaning ascribed to them in the Index Conditions (as defined below).

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Index conditions with a view to dealing with technical adjustments necessary for the good maintenance of the Index. To the extent that those changes do not affect the nature of the Index and are not expected to have any adverse impact on the performance of the Index, the Shareholders will not be notified otherwise than through the website [www.credit-suisse.com](http://www.credit-suisse.com) or any successor thereto. The Shareholders are consequently invited to consult this websites on a regular basis.

The Index is an index designed to synthetically represent a diversified composite managed accounts (**MAs**) across defined investment strategies in the foreign exchange hedge fund market. The Index is constructed and managed in accordance with the index conditions that can be obtained upon request from the Management Company (**Index Conditions**), and is overseen by an Index Committee (as defined below) of investment professionals in accordance with the Index Objective (as defined below).

#### **Index Sponsor, Index Committee and Index Calculation Agent**

##### *Role of the Index Sponsor*

The Index is sponsored by Credit Suisse AG (the **Index Sponsor**) or any successor of it to manage and maintain the Index. The Index is proprietary to the Index Sponsor. The Index Sponsor has established arrangements for the management of potential conflicts of interest that may arise as a result of the different roles and activities of CS Entities related to Financial Products (as defined below), the Index, any Index Constituent (as defined below), Index Constituent Manager (as defined below) or Index Constituent Strategy (as defined below). At the Index Sponsor's discretion, third party service providers may be utilized for the management, calculation and maintenance of the Index.

The Index Sponsor is responsible for determining the initial proportion of the Index that is allocated to each Index Constituent and for reallocating the Index among Index Constituents periodically (the **Allocation Model**). The Index Sponsor is also responsible for certain other determinations, as described in the Index Conditions.

The Index Sponsor will monitor the performance of each Index Constituent and its respective Index Constituent Manager, Index Constituent Strategy and the notional portfolio of Reference Assets (as defined below) relating to the Index Constituent, and evaluate the performance of the Index and each Index Constituent over time, including in connection with periodic reallocations. The Index Sponsor shall perform its obligations at all times acting through the Index Committee.

Subject to any prior necessary approval of any regulatory or supervisory authority, the Index Sponsor may supplement, amend (in whole or in part), revise or withdraw the Index Conditions at any time in order to guarantee the continuity of the Index in a form acceptable to both the Index Sponsor and any relevant regulatory and supervisory authority. Such a supplement, amendment, revision or withdrawal may lead to a change in the way the Index is calculated or constructed and may affect the Index in other ways including, but not limited to, any change to the basis or methodology pertaining to the construction of the Index. Without prejudice to the generality of the foregoing, there might be (i) circumstances beyond the control of the Index Calculation Agent or the Index Sponsor or (ii) events that would prevent the Index Calculation Agent or Index Sponsor from performing their respective role in accordance with the Index Conditions (e.g., the Index Calculation Agent ceases its activity (and therefore needs to be replaced by the Index Sponsor, subject to necessary approvals of regulatory or supervisory authorities) where the Index Sponsor may determine that a change to the Index Conditions is required in order to update the Index Conditions (for example where changes in the hedge fund industry or unavailability of Index Constituents (as defined below) impacts the ability of the Index Sponsor to adhere to the Index Conditions) or to address an error, ambiguity or omission and effect any change thereto.

##### *Role of the Index Committee*

The Index is overseen by a committee (**Index Committee**) of senior investment professionals of the Index Sponsor to monitor consistent application and adherence to the Index Conditions. The Index Committee has the final authority on all matters relating to construction, rule interpretation and maintenance of the Index.

Adherence to the Index Conditions will govern the Index construction process. However, in cases where the application of the Index Conditions are deemed to be ambiguous or would violate the spirit of their construction or intent and an interpretation is required, the Index Sponsor shall, prior to taking any related action consult the Index Committee, a body comprising senior investment professionals.

The Index Committee will retain ultimate authority on all matters relating to the construction, management, interpretation and maintenance of the Index, applying in such cases sound judgment, common sense and prudent analysis adhering to commonly accepted business standards and ethics. This will provide a corporate governance overlay to the analysis already conducted on the Index Constituents and their respective Index Constituent Managers and Index Constituent Strategies and is intended to provide consistency in the application of the Index Conditions with respect to the approval of Index Constituents and Index Construction.

The Index Committee meets monthly and on an ad hoc basis if necessary to decide whether or not an Index Constituent may be included in Index. In order to maintain objectivity, research and analysis is summarized in an Index Constituent Manager Approval Report and submitted to the Index Committee for review. As the governance body for the Index Construction, the Index Committee is the primary decision-maker with respect to inclusion, however, the Risk Management team and the Operational Due Diligence team of the Index Sponsor have an independent veto right on all Index Constituent recommendations prior to their inclusion in the Index.

##### *Role of the Index Calculation Agent*

On each Index Valuation Day (as defined below), Citibank, N.A., London branch (**CBNA**), as Index Calculation Agent, will calculate the level of the Index net of all fees (the **Index Level**), which reflects the value of the Index Constituents on such Index Valuation Day relative to their value at the Index Start Date (as defined below) less certain fees. The Index Level may be used in connection with one or more Financial Products. A **Financial Product** means a securities issuance, contract or other financial product relating in whole or in part to the Index. Financial Products may be issued or entered into by CBNA or other financial services providers to potential investors or counterparties (each a **Financial Product Investor**).

CBNA does not authorize, endorse, ratify or otherwise recommend any Financial Product, the Index, any Index Constituent (including the related Index Constituent Manager and Index Constituent Strategy), the Index Sponsor or the Allocation Model. No investigation or due diligence is carried out by CBNA into the suitability, whether for any general or particular purpose, of the Financial Products, the Index, the Allocation Model or any Index Constituent (including the related Index Constituent Manager and Index Constituent Strategy), and the Index Constituent Managers and the Index Sponsor are not required to demonstrate any form of relevant expertise or experience, including expertise or experience in investment management, asset management or foreign currency trading, to CBNA.

CBNA accepts no liability or responsibility whatsoever in connection with any Index Constituent and will not be responsible for monitoring or ensuring that the OTC FX Transactions selected by any Index Constituent Manager are in accordance with the relevant Index Constituent Strategy.

CBNA has entered into a trading currency agreement (each a **TCA**) with each relevant Index Constituent Manager, authorizing such Index Constituent Manager to select a notional portfolio of Reference Assets for the related Index Constituent in accordance with its Index Constituent Strategy and enter into corresponding OTC FX Transactions for CBNA's account in connection with CBNA's issuance of or entry into Financial Products.

Although the Index Calculation Agent will, acting in good faith and using commercially reasonable methods, obtain information for inclusion or use in the calculation of the Index from sources which the Index Calculation Agent considers reliable (such sources including, without limitation, the Index Calculation Agent's internally maintained databases and public sources), the Index Calculation Agent will not publish or independently verify such information and does not guarantee the accuracy and/or the completeness of the Index or any data included therein.

### Index Overview

The Index was established as of the Index Start Date (as defined below) and is linked to the performance of certain index constituents selected by the Index Sponsor which comprise the Index from time to time (the **Index Constituents**). Each Index Constituent represents a notional portfolio of reference assets (including any realized gains or losses on such assets since the Index Start Date) (the **Reference Assets**) which are selected by the relevant Index Constituent Manager (each as defined below) in accordance with the relevant Index Constituent Strategy (each as defined below). The Reference Assets consist of over-the-counter spot foreign exchange (**FX**) transactions, deliverable forward FX transactions, cash settled forward FX transactions and currency option transactions and other similar foreign currency transactions (collectively **OTC FX Transactions**). The **Index Constituent Managers** are responsible for selecting the notional portfolio of Reference Assets for the Index Constituents in accordance with their respective strategies (each an **Index Constituent Strategy**).

### Information on Index Composition

Information regarding the Index Constituents, the Index Constituent Managers and Index Constituent Strategies for the Index Constituents allocated to the Index (including the Index Constituents' exposures) as of the Index Start Date is set out in the Index Conditions. Details of the Index Constituents in the Index (including the Index Constituents' exposures) and their respective Index Constituent Managers and Index Constituent Strategies at any time following the Index Start Date are available upon request from the Management Company.

### Index Objective

The Index synthetically represents a diversified composite of Index Constituents designed to achieve consistent long-term risk-adjusted returns (the **Index Objective**).

### Index Constituent Definitions and Universe

The Index is designed to represent a diversified composite of managed accounts within the global foreign exchange trading hedge fund industry, limited to Index Constituent Managers and Index Constituent Strategies which offer regular transparency. Index Constituents can follow several FX trading strategies which are described in accordance with standard industry terminology as the following Index Constituent Strategies: fundamental systematic, fundamental discretionary, systematic technical, discretionary technical, multi strategy, options discretionary and options systematic (those Index Constituent Strategies are defined below).

More specifically, the universe of the Index (**Universe**) does comprise (and is restricted to) the investment strategies available on the CitiFX® Access platform, a multi-strategy platform operated by CBNA which facilitates synthetic investment exposure to FX managers via financial products referencing multi-strategy benchmark and actively-managed indices licensed from third-party index sponsors. The CitiFX® Access platform comprises as of 1 Jan 2013 40 investment strategies in the FX space which are managed by 30 different managers. The Index Sponsor has determined that the investment strategies and managers available via the CitiFX® Access are representative of the FX hedge fund trading space.

After the Universe has been defined and all eligible Index Constituents have been classified into their appropriate Index Constituent Strategies, the following **Index Constituent Qualification** process is applied to identify, evaluate, approve and determine which eligible Index Constituents shall be included in the Index.

### Index Constituent Qualification

An Initial Screening as defined below, shall be conducted by the Index Sponsor to identify Index Constituents which are eligible for further due diligence. Index Constituents are then subject to successful completion of Due Diligence Process as described below, which will be conducted by the Index Sponsor.

The Index Constituent Qualification process is managed by the Index Sponsor and relies on both qualitative and quantitative analysis, which is supported by three teams:

1. Research and selection – responsible for initial screening of potential Index Constituents. This team also applies various quantitative and qualitative analyses to determine the characteristics of each Index Constituent relative to its peers, various market environments, and other investment strategies.
2. Risk management – the risk management team evaluates and monitors Index Constituents and also performs analysis including: VaR, performance attribution, stress tests, scenario analysis and outlier reports.
3. Operational due diligence – Index Constituents present operational risks that are separate from portfolio or performance issues. In recognition of the importance of operational due diligence, a review of each Index Constituent and Index Constituent Manager is required. In addition, operational due diligence review includes an analysis of the Index Constituent's offering and constitutive documents, applicable side letter agreements, side pocket arrangements and audited financial statements (if any and when available).

### 1. Index Constituent Selection Process

#### Initial Screening Rules

The Index Constituent Selection Process begins by screening the global foreign exchange hedge fund industry for investment talent, limited to Index Constituents and Index Constituent Strategies that are available via the CitiFX® Access platform. Index Constituents have to meet the initial screening criteria before they can be considered further in the due diligence process. The applied screening rules are given by the following binary criteria (yes/no):

- Does the manager trade currencies only in his FX program?
- Does the manager trade currencies with appropriate breadth of currencies covered (i.e., the manager must manage at least 5 currencies)?
- Is the manager's key investment team stable (i.e., no current or announced key man departures)? The list of the key individuals of each manager comprising the investment team will be available upon request from the Management Company.
- Does the manager follow a standard institutional-quality allocation procedure between similar funds/accounts to ensure consistency of outcome (i.e., the info ratio, defined as the manager return divided by its volatility in accordance with the formula below, between similar funds/accounts and the account managed on the CitiFX® Access platform should not deviate more than 30%)? The comparison will be made between the public available composite return of the relevant manager in respect of an investment strategy (i.e., in respect of all the assets managed by the same manager in accordance with the same investment strategy) as published on financial service providers like Bloomberg and the reported return for purposes of the CitiFX® Access platform. Both series of returns will be "standardised" by dividing the return by its volatility. Both series of standardised returns will then be compared. If the difference is more than 30% between the ratios, the manager will be disqualified. The time period considered for the comparison will be the maximum time period where both series of returns overlap.

$$\circ \quad IR = \frac{R_A}{\sigma_A}$$

- $IR$  = Information ratio of a FX manager
- $R_A$  = annualized return of a FX manager
- $\sigma_A$  = annualized volatility of a FX manager
- Does the manager adhere to its strategy objective, in particular for systematic managers, is the manager sticking to the model signals (i.e. no discretionary overwrite during normal market conditions for computer driven systematic models)?
- Are the management fees charged by the manager not more than 1%?

In a second step, all managers that have passed and haven't been disqualified by any of the above mentioned criterias, will be compared on their info ratios and only the managers with the 7 highest info ratios will be considered.

The outcome of the application of the above screening rules to the Universe will be available upon request from the Management Company. The available information will also include the full screening methodology applied along with the data used so that investors can replicate the screening procedure.

## 2. Due Diligence Process

Once the Index Sponsor has taken the decision to proceed with the Due Diligence Process, a rigorous quantitative and qualitative due diligence process is conducted by three teams within the Index Sponsor as identified above (Research and Selection, Risk Management and Operational Due Diligence). The Index Sponsor will meet with the Index Constituent Manager's responsible for managing the Reference Assets selected for each eligible Index Constituent to conduct onsite due diligence in order to evaluate and assess a range of factors, which are defined below. Onsite visits are conducted independent of each other by each of the Research and Selection team and the Operational Due Diligence team. Onsite visits or phone calls are conducted by the Risk Management team. The three teams will apply the following Due Diligence Processes:

### Research and Selection Due Diligence: *Qualitative and Quantitative Assessment*

The Index Sponsor seeks to identify Index Constituents with Index Constituent Manager's that the Index Sponsor believes have an edge in their Index Constituent Strategy. The Index Sponsor criteria include a combination of experience, a fundamental and technical understanding of the market, investment resources, and tested and robust market information access.

### Research and Selection Due Diligence: *Experience*

The Index Sponsor seeks to identify Index Constituents whose Index Constituent Managers have an extensive experience in research, analyzing markets and companies, trading specific markets and asset classes, and constructing portfolios, with varying priority depending on the relevant Index Constituent Strategy.

### Research and Selection Due Diligence: *Quantitative Assessment*

Quantitative analysis of historical and prospective risk/return characteristics, exposures and allocations, and correlations with other potential Index Constituents. The Research and Selection team may obtain statistical analysis from the Risk Management team, as discussed below.

### Risk Management Due Diligence

The Risk Management team evaluates and monitors each Index Constituent and performs analysis including: VaR, performance attribution, stress tests, scenario analysis, etc. Personnel and system reviews are made. Benchmark and peer group analysis are conducted. Performance attribution, transparency, leverage, liquidity, exposure analysis by geographic, asset class, industry or sector, and scenario and stress testing are conducted. Post-investment due diligence includes all the above-mentioned as well as outlier performance reviews.

### Operational Due Diligence

Index Constituents present operational risks which are separate from portfolio management or market risk management issues. In recognition of the importance of operational due diligence, the Index

Sponsor requires an Operational Due Diligence review of each Index Constituent Manager as well as the relevant offering and constitutive documentation for each Index Constituent (if any). A failure to pass the Operational Due Diligence review results in the termination of Index Constituent for further consideration for inclusion in the Index.

The Index Sponsor's Operational Due Diligence review begins by reviewing each Index Constituent's legal documentation, marketing documentation and financial information (if any and when available) for details concerning third party service providers, fees and expenses, and potential conflicts of interest. The review of the legal documentation involves an analysis of an Index Constituent Manager's material documentation such as offering memorandums, constitutive documentation (Articles of Association or LP Agreement), service provider agreements (if any and where available) and any regulatory filings made by the Index Constituent Manager. The Index Constituent Manager's legal structure is evaluated, as are its relationships with related or associated parties and service providers.

Through this Due Diligence process, the number of potential Index Constituents that could be considered eligible Index Constituents is filtered to only those that satisfy all of the criteria of the Research and Selection Due Diligence, Risk Management Due Diligence and Operational Due Diligence.

### Additional Eligibility Criteria

Only potential Index Constituents which satisfy the Due Diligence Process (in addition to the Initial Screening Rules) above can be included as Index Constituents in the Index. In addition, they must also provide the required level of Transparency and satisfy other certain other objective criteria, as described below.

### Transparency

For an Index Constituent to be included in the Index, the related Index Constituent Manager and Index Constituent Strategy must be set up and operated in the form of an independent investment structure or managed account which provides adequate transparency. The Index Constituent Manager's role should be limited to portfolio construction and trade execution. Effectively, the Index Constituent Manager acts as discretionary investment manager on behalf of the Index Constituent Strategy, but without control over the assets and operating model. The adequate transparency data allows the Index Sponsor to determine whether the Index Constituent Manager is implementing and remains compliant with the Index Constituent Strategy. By analyzing the information received in respect of each Index Constituent, the Index Sponsor is able to conduct a risk analysis. This allows the Index Sponsor to monitor unwanted or excessive risk taking as well as style drifts.

### Objective Criteria

An Index Constituent is eligible for inclusion in the Index if the Index Sponsor determines that the Index Constituent meets all of the following objective criteria:

- Good result on operational due diligence
- Positive outcome from background check
- Clear definition of strategy style
- Must provide regular liquidity and be open for new investments
- Positive track record in place; and
- No lock up on the liquidity terms

### Allocation Model

The Index Sponsor adheres to a defined and documented process in applying the Allocation Model when composing the Index. The Allocation Model is based on a simple mechanical allocation model and follows a risk weighted approach, where an Index Constituent's Exposure is the larger the smaller the risk of the Index Constituent. Therefore this model is comparable to market capital weighted indices where in the current case the exposures are determined by weights defined as the inverse of risk. Potential Financial Product Investors should note that, because the selection of Index Constituents by the Index Sponsor follows a mechanical allocation model with pre-defined rules, the allocation, reallocation, and rebalancing of the Index Constituents by the Index Sponsor does

not imply that the Index Constituents that Index Constituents or Index Constituent Strategies overweighted in the Index are more suitable or will provide higher returns than Index Constituents or Index Constituent Strategies underweighted in or excluded from the Index.

The following steps describe the eligible universe of Index Constituents (as described in more detail in the Index Construction Methodology) and the details about the index weights:

- Step 1: Index Constituents must be accessible through managed accounts platforms.
- Step 2: Index Constituents must be managed by an Index Constituent Manager employing the required investment strategy as defined above.
- Step 3: Index Constituents and their related Index Constituent Manager and Index Constituent Strategies must satisfy the Index Sponsor's due diligence and approval process as described above. Due diligence criteria are defined by the Index Sponsor to require that the eligible Index Constituent Manager follows a reliable investment strategy and the inclusion of the respective manager does not create an undue risk for any investor in the Index.
- Step 4: Index Constituent Managers must permit disclosure of appropriate information with respect to the composition of the Index Constituents in a manner which enables the Index Sponsor to conduct and satisfy its risk management and stress testing assessments with respect to the Index.
- Step 5: The weighting scheme for the Index is defined by a risk weighting, where risk is itself defined by the expected drawdown of the Index Constituent. The initial expected drawdown at inception of the Index Constituent's inclusion in the Index is defined as the maximum loss occurred for each Index Constituent (the **Initial Index Constituent Expected Drawdown**) determined by the Index Sponsor taking into account the Index Constituent's historical maximum drawdown since inception of the respective Index Constituent. The historical maximum drawdown will be adjusted if the current risk taking of the Index Constituent Manager is different compared to its historical risk taking with respect to leverage, value-at-risk (VaR), volatility target and drawdown limits ("the measure of such adjustment, the Risk Factor").

$$\text{Initial Index Constituent Expected Drawdown (DD)} = \text{Max Drawdown} * \Delta \text{ risk factor}$$

The delta ( $\Delta$ ) is defined as the difference in the Risk Factor when an Index Constituent changes its risk limits through its risk policy change, i.e. changes in the level of leverage, VaR, volatility target or drawdown limit will lead to a difference in the defined Risk Factor and thus will change the Expected Drawdown. If the Index Constituent is not changing any of those risk factors then the Expected drawdown will be the same as the Initial Index Constituent Expected Drawdown, as shown in the below formula (which is the extended version of the above):

$$\text{Initial Index Constituent Expected Drawdown (DD)} = \text{Max Drawdown} + (0; \text{Max Drawdown} * \text{Leverage new limit} / \text{Leverage old limit}) + (0; \text{Max Drawdown} * \text{VaR new limit} / \text{VaR old limit}) + (0; \text{Max Drawdown} * \text{Volatility new limit} / \text{Volatility old limit}) + (0; \text{Max Drawdown} * \text{Drawdown new limit} / \text{Drawdown old limit})$$

i.e. if no change in risk limit, then 0, otherwise  $\text{Max Drawdown} * \Delta \text{ risk factor}$

Any change to the Expected Drawdown is a result of a purely mechanical calculation based on changing Risk Factor observed at the Index Constituent Manager. Any sequential adjustments will be calculated by adjusting the Initial Index Constituent Expected Drawdown by changes in the Risk Factor.

1. The Target Weight  $W_i$  for each Index Constituent  $i$  with a given expected Initial Index Constituent Expected

Drawdown  $DD_i$  at inception and going forward unless there are no changes in the Risk Factors is defined by:

$$W_i = \frac{\frac{1}{DD_i}}{\sum \frac{1}{DD_i}}$$

The Index Constituents are therefore simply weighted by the inverse of Initial Index Constituent Expected Drawdown, i.e. the larger the risk the smaller the weight.

Given that Index Constituent's Exposures cannot continuously be adjusted to the Target Weights, the Index Constituents' Exposures may fluctuate  $\pm 5\%$  around the Target Weights. These deviations may occur due to general market and/or Index Constituents' or their respective Index Constituent Managers' and Index Constituent Strategies' performance. These passive driven deviations should be reviewed at the next rebalancing date in order to bring Exposures in line with Target Weights under consideration of the investment guidelines limits as defined below.

2. The resulting Index composition is compared to the Allocation Guidelines to check for breaches. If no Allocation Guideline is breached, the above weights for each Index Constituent shall be used as its Target Weight. If one or more Allocation Guidelines are breached however, the weight allocated to each Index Constituent contributing to such breach(es) shall be adjusted so as to cure the breach(es), with the aggregate weighting adjustment applied re-allocated to the other non-breaching Index Constituent on a pro-rata basis. The resulting weight for each Index Constituent shall be used as the Target Weight.
3. Note that where the Index Constituent Expected Drawdown cannot be determined due to insufficient performance history, the performance history from an associated offshore fund or a managed account platform managed by the same Index Constituent Manager in accordance with the Index Constituent Strategy (if any) may be used, and adjusted to take into account additional investment restrictions derived by the relevant structure.
4. Risk factors of Index Constituent Managers or Index Constituent Strategies might change over time through policy changes in the risk limit of the respective Index Constituent and might not reflect historical experienced drawdowns. The Index Sponsor will take those factors into consideration when determining the respective Expected Drawdowns.

#### Allocation Guidelines and Rebalancing

According to the principle of diversification, the Index shall allocate to Index Constituents in adherence with the **Allocation Model** and **Index Objective**. Rebalancing of the Allocation Model is implemented on a quarterly basis on each Rebalancing Effective Date (as defined below) in order to maintain compliance with the Index Objective.

The Allocation Model shall be subject to the **Index Constituent Limits**, **Index Constituent Exposure Limits**, **Index Constituent Strategy Limits** and **Index Constituent Strategy Definitions** as defined below.

#### Index Constituent Limits

- Index Constituent Strategy Limits shall apply at each Rebalancing Effective Date: FX Trading Manager: 100% of the Exposure of the Index is to FX trading strategies as specified under "Index Constituent Definitions and Universe" above. Other Hedge Fund strategies like Equity L/S, Event Driven, Relative Value shall not be eligible.

#### Index Constituent Exposure Limits

Index Constituent Exposure Limits shall apply at each Rebalancing Effective Date:

- Minimum Number of Index Constituent: 5
- Maximum Number of Index Constituents (limited to the managers with the 7 highest info ratios): 7
- Maximum Exposure for Index Constituent with greatest Exposure: 20%
- Maximum total exposure to Index Constituents with the same management company: 25%

#### *Index Constituent Strategy Limits*

Index Constituent Strategy Limits shall apply at each Rebalancing Effective Date:

Maximum allocation to Fundamental systematic: 40%

Maximum allocation to Fundamental discretionary: 40%

Maximum allocation to Systematic technical: 25%

Maximum allocation to Discretionary technical: 25%

Maximum allocation to Multi Strategy (Fundamental and Systematic): 40%

Maximum allocation to Options discretionary: 20%

Maximum allocation to Options systematic: 20%

Maximum allocation to Emerging Markets only: 10%

#### *Index Constituent Strategy Definitions*

Fundamental systematic applies a systematic, i.e. computer model based trading style taking into account price and fundamental economic data, market flow, data releases, events and external drivers as input factors.

Fundamental discretionary applies discretionary trading strategies taking into account price and fundamental data, trend, economic performance, market flow, data releases, events and external drivers as input factors.

Systematic technical uses computer models, based mainly on technical analysis of market data or fundamental economic data, to identify and make trades.

Discretionary technical uses the experience and trading skill of manager, based mainly on technical analysis to identify and make trades.

Multi Strategy is a combination of both systematic and discretionary trading strategies and exhibits characteristics from both strategy styles.

Options discretionary applies discretionary trading styles with options as instrument to express the views of the managers.

Options systematic uses computer models to invest with options in a systematic trading manner.

Emerging Markets predominantly uses emerging market currencies as eligible investment instruments. Manager is restricted to invest in currencies outside Emerging Markets.

As defined, the individual Index Constituents will have an initial Exposure as set out in the Index Conditions with Exposures to be subsequently adjusted according to the volatility and risk contribution of a particular Index Constituent Manager and its respective Index Constituent Strategy. Therefore, Index Constituents (along with the related Index Constituent Managers and Index Constituent Strategies) are closely monitored and weightings are evaluated in line with the Index Objective and adjusted at each Rebalancing Effective Date.

Index Constituents may deviate from their Target Weights due to general market and/or Index Constituent Managers' or their respective Index Constituent Strategies' performance, subject to a limit of plus or minus five percent (5%) from their respective defined Target Weights. These passive driven deviations will be reviewed at the next Index Rebalancing in order to bring Exposures in line with Target Weights under consideration of the investment guidelines limits as defined above. In addition, intra-quarter ad hoc Index Rebalancing will occur when liquidity requirements applicable to the relevant Index Constituents permit in order to maintain compliance of the Index with the Allocation Guidelines.

#### **Monitoring and Rebalancing**

The Monitoring and Rebalancing process is utilized to monitor Index Constituents (along with the related Index Constituent Managers and Index Constituent Strategies) once they have been included in the Index. The monitoring helps to ensure that Index Constituents continue to fulfil the criteria that led to their initial inclusion in the Index by the Index Sponsor. This process involves ongoing qualitative and quantitative monitoring, the intensity and frequency of which is determined by the Index Sponsor. As each Index Constituent Manager is required to provide adequate transparency in respect of the related Index Constituent in order to be included in the Index, the Risk Management team can run a range of reports covering VaR, sensitivity and stress test analysis in order to detect potential excessive risk taking early, avoid style drift and make full use of the level of transparency.

The total number of Index Constituents in the Index may vary through time due to changes to the Index Constituent Managers and their respective Index Constituent Strategies. The Index composition will remain unchanged and an Index Constituent will be only removed if it ceases to qualify for inclusion in the Index. If an Index Constituent is removed from the Index, another potential Index Constituent may become eligible for inclusion. In the event that several potential Index Constituents are eligible for inclusion, they will all be included into the Index in accordance with the weighting rules based on the expected drawdown as described above and subject to the compliance with the Index Constituent Strategy Limits. Once the allocations of newly added Index Constituents are determined, the remaining Index Constituents' allocations may be adjusted through the **Index Rebalancing** process. The Index Rebalancing process will occur on a quarterly basis. Rebalancing of the Index shall take effect each January 1, April 1, July 1 and October 1 (each a **Rebalancing Effective Date**), based upon allocations and weightings that are determined five calendar days prior to the Rebalancing Effective Date (such day, a **Rebalancing Allocation Date**), using the latest data available to the Index Sponsor. In addition, intra-quarter ad hoc Index Rebalancing will occur when liquidity requirements applicable to the relevant Index Constituents permit in order to maintain compliance of the Index with the Allocation Guidelines.

The Index Committee may waive the requirement for Index Rebalancing falling on the first Rebalancing Effective Date following the Index Start Date. The rationale of the waiver referred to above is that Rebalancing Dates have a quarterly frequency (i.e., at the end of December, March, June and September).

Additionally the Index Rebalancing will take into account the overall additional cost of access to Index Constituents (including the cost of access to the relevant Index Constituent Managers and their respective Index Constituent Strategies) in order to ensure that the Index continues to meet the Index Objective. Such costs shall be reviewed by the Index Committee on an annual basis.

#### **Initial Composition of the Index**

The table below shows the initial composition of the Index as of 23 May 2013. This composition may change over time in accordance with the rules described above.

<b>Index Constituent Manager</b>	<b>Index Constituent Strategy</b>	<b>Exposure</b>
Harness	Fundamental discretionary	15.92%
C-View	Fundamental discretionary	11.17%
C-View EM	EM only	10.00%
IKOS	Systematic technical	10.57%
Quiris	Multi Strategy	12.34%
Rhicon	Discretionary technical	20.00%
LCJ	Options discretionary	20.00%

## Calculation and Publication of the Index Level

### *Valuation of the Index Constituents*

The Index Level will be determined by reference to the performance of the Index Constituents. The Index Calculation Agent will produce a valuation of the Index Constituents in respect of each Index Business Day which is not a Disrupted Day (an **Index Valuation Day**) by reference to the value of the related notional portfolio of Reference Assets at such time and a comparison of such value against quarterly and yearly high water marks less certain fees (as set out below). Each Index Constituent will be valued in USD.

The Index Calculation Agent will value the Reference Assets by reference to the official closing rates of the Index Calculation Agent in effect as of 7pm New York time on such Index Valuation Day. Each Reference Asset will be valued in USD using data collected from the Index Calculation Agent's official mid-market reference rates or other relevant rates.

The Index Calculation Agent offers no guarantees that the Index Constituents can be rebalanced or that the Reference Assets can be closed out at their valuation level at any time after such valuations are determined.

### Where:

**Index Business Day** means a day on which commercial banks and foreign exchange markets settle payments (including dealings in foreign exchange and foreign currency deposits) and are open for general business in London, New York, Luxemburg and Zurich.

### *Publication of the Index Levels*

The Index Calculation Agent will use reasonable endeavours to publish the Index Level in respect of each Index Valuation Day by 7pm New York on such Index Valuation Day. The Index Level reflects the level over time of the Index net of certain fees. The Index Level on the Index Start Date was 100 (the **Initial Index Level**).

## Fees

Fees notionally allocated to the Index Calculation Agent and the Index Constituents are calculated by the Index Calculation Agent in respect of each Index Valuation Day. Fixed Administration Fees and Fixed Management Fees are each determined by reference to a fixed rate up to, in aggregate, 1.5% of the Initial Index Level per annum (assuming that the aggregate exposure to Index Constituents in the Index is equal to 100). If the aggregate exposure is less than 100, then the aggregate rate per annum in respect of the Fixed Management Fees will be lower. Quarterly Performance Fees and Year-End Performance Fees in respect of an Index Constituent are determined by reference to the performance of the notional portfolio of Reference Assets selected by the relevant Index Constituent Manager in respect of such Index Constituent and the Fixed Management Fees in respect of such Index Constituent. Quarterly Performance Fees and Year-End Performance Fees are referred to collectively as Performance Fees. With respect to an Index Constituent, the performance fee rate may be up to 30% and will be applied to the aggregate return of such Index Constituent (measured against the applicable quarterly and/or annual high water mark).

## Suspension Events, Market Disruption Events and Cancellation Events

The Index Conditions provide for certain events that can qualify as Suspension Events, Market Disruption Events or Potential Cancellation Events. The occurrence of those events may lead to adjustments to the Index Level and/or Index Conditions, the removal of Index Constituents from the Index, postponements or suspensions of the calculation and publication of the Index level or the replacement of the Index, it being understood that the above events must be beyond the control of both the Index Sponsor and the Index Calculation Agent. The occurrence of those events may lead to the use of estimated Index Levels for NAV publication purposes only, the suspension of the calculation of the NAV of the Subfund, the suspension of the processing of subscription, redemption or conversion orders or the liquidation of the Subfund.

## Risk factors

Specific risk factors relevant to the Index are described in the Index Conditions.

Investors must in particular bear in mind that:

- OTC FX Transactions derive their value by reference to foreign exchange rates. The markets in which foreign exchange are traded may be highly volatile, in relation to both emerging markets and, in certain market conditions, also in relation to developed nations' currencies. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk, convertibility risk and potential interference by foreign governments through regulation of local markets, foreign investment or particular transactions in foreign currency. A small movement in the reference basis (i.e. the relevant foreign exchange rates) may mean a large change in the value of an OTC FX Transaction. This may have an adverse effect on the Index Level and the Financial Products; and,
- because Performance Fees in respect of the Index Constituents are based on the performance of Reference Assets selected by particular Index Constituent Managers and not on the aggregate performance of all Index Constituents or Reference Assets allocated to the Index, the Index Level may decline, but Performance Fees would still be allocated in respect of certain Index Constituents.



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