

**Credit Suisse Fund Management S.A.**

***Société anonyme***

Registered office: **5, rue Jean Monnet, L-2180, Grand Duchy of Luxembourg**

**R.C.S. Luxembourg B 72925**

(the "**Management Company**")

acting in its capacity as management company of

**CS Investment Funds 12**

**Fonds commun de placement**

**R.C.S. Luxembourg K 671**

(the "**Merging UCITS**")

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**Notice to Unitholders:**

**Credit Suisse (Lux) Portfolio Fund Yield USD**

(the "**Merging Sub-Fund**")

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**IMPORTANT:**

**THIS LETTER REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENT OF THIS LETTER,**

**YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.**

8 April 2024

Dear Unitholders,

The board of directors (the "**Board of Directors**") of the Management Company, has decided to merge the Merging Sub-Fund into Sub-Fund UBS (Lux) Strategy Fund – Yield Sustainable (USD) (the "**Receiving Sub-Fund**"), a sub-fund of UBS (Lux) Strategy Fund, a *fonds commun de placement* incorporated under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number K 299 (the "**Receiving UCITS**") in compliance with article 1(20)(a) of the law of 17 December 2010 on undertakings for collective investment as amended (the "**Merger**"). The Merger shall become effective on 21 May 2024 (the "**Effective Date**").

This notice describes the implications of the contemplated Merger. Please contact your financial advisor if you have any questions on the content of this notice. The Merger may impact your tax situation. Unitholders should contact their tax advisor for specific tax advice in relation to the Merger.

Capitalised terms not defined herein have the same meaning as in the prospectus of the Merging UCITS.

## 1. Background and rationale for the merger

- 1.1 The decision of the Board of Directors to proceed with the Merger was passed in the unitholders' interest and takes place in the context of the following rationale. The Receiving Sub-Fund and the Merging Sub-Fund are actively managed multi asset sub-funds that share similar objectives and risk profiles, in terms of providing investors yield orientated portfolios which are globally diversified. The aim of merging the sub-funds is to manage the sub-funds more efficiently in the interests of investors through the takeover of Credit Suisse Group AG by UBS Group AG and as part of the integration of Credit Suisse into UBS. Maintaining two separate UBS Group funds (i) within the same asset class and (ii) with similar objectives is not an efficient long-term proposition and so it is proposed to merge the Merging Sub-Fund into the Receiving Sub-Fund. The Merger of the Merging Sub-Fund into the Receiving Sub-Fund will result in an overall increase of assets under management. Therefore the Board of Directors believes that the Merger is in the interest of the unitholders of the Merging Sub-Fund.

## 2. Summary of the merger

- 2.1 The Merger shall become effective and final between the Merging Sub-Fund and the Receiving Sub-Fund and vis-à-vis third parties on the Effective Date.
- 2.2 On the Effective Date, all assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund. The Merging Sub-Fund will cease to exist as a result of the Merger and thereby will be dissolved on the Effective Date without going into liquidation.
- 2.3 Unitholders are not required to vote on the Merger.
- 2.4 The Unitholders holding units of the Merging Sub-Fund on the Effective Date will automatically be issued units of the Receiving Sub-Fund in exchange for their units of the Merging Sub-Fund, in accordance with the relevant unit exchange ratio and participate in the results of the respective Receiving Sub-Fund as from such date. Unitholders will receive a confirmation note of their holding in the Receiving Sub-Fund as soon as practicable after the Effective Date. For more detailed information please see section 5 (*Rights of Unitholders in relation to the Merger*) below.
- 2.5 Subscriptions, conversions of units of and/or redemptions of units of the Merging Sub-Fund will be suspended from 13 May 2024 to 21 May 2024 in order to implement the procedures needed for the Merger in an orderly and timely manner as indicated under section 6 (*Procedural aspects*) below.
- 2.6 The Merger is part of a wider project of merging the sub-funds of the Merging UCITS into sub-funds of the Receiving UCITS. As a result, the Merging UCITS will cease to exist upon completion of all mergers (including the Merger).
- 2.7 Other procedural aspects of the Merger are set out in section 6 (*Procedural aspects*) below.
- 2.8 The timetable below summarises the key steps of the Merger.

|  |  |
|--|--|
| Notice Period  | From 8 April 2024 to 13 May 2024   |
| Suspension Period of subscription conversion and redemption of units of the Merging Sub-Fund | From 13 May 2024 to 21 May 2024<br>(last cut-off for dealings: 8 May 2024, 1 p.m.) |
| Final NAV Date   | 17 May 2024  |
| Effective Date   | 21 May 2024  |
| Date of calculation of the exchange ratio  | on the Effective Date using the NAVs as of the Final NAV Date                      |

\* or such later time and date as may be determined by the Boards and notified to unitholders in the Merging Sub-Funds in writing, upon (i) approval of the Merger by the *Commission de Surveillance du Secteur Financier* ("**CSSF**"), (ii) completion of the thirty (30) calendar days prior notice period, as applicable, and additional four (4) working

days, and (iii) registration of the Receiving Sub-Fund in all jurisdictions where the Merging Sub-Fund is distributed or registered for distribution. In the event that the Boards approve a later Effective Date, they may also make such consequential adjustments to the other elements in this timetable as they consider appropriate.

### 3. Impact of the merger on Unitholders of the Merging Sub-Fund

The overall objectives and risk profiles of the Receiving Sub-Fund, as described in the prospectus of the Receiving UCITS and in the key information document in accordance with Packaged Retailed Investments and Insurance Products Regulation ("KID") of the Receiving Sub-Fund and of the Merging Sub-Fund as described in the prospectus of the Merging UCITS and in the KID of the Merging Sub-Fund are similar and will remain the same after the Effective Date.

Unitholders of the Merging Sub-Fund should carefully read the description of the Receiving Sub-Fund in the prospectus of the Receiving UCITS and in the KID of the Receiving Sub-Fund before making any decision in relation to the Merger.

The investment manager of the Merging Sub-Fund, Credit Suisse Asset Management (Schweiz) AG, in agreement with the investment managers of the Receiving Sub-Fund, UBS Asset Management Switzerland AG and UBS Switzerland AG, Zurich, with the aim to ensure the transferring portfolio is in line with the investment strategy of the Receiving Sub-Fund, will sell most of the underlying assets within the notice period (from 8 April 2024 to 21 May 2024). The Merging Sub-Fund's portfolio will be partially liquidated, and the resulting cash and any remaining assets transferred to the Receiving Sub-Fund on the Effective Date.

#### 3.1 Investment objective and policy

| Merging Sub-Fund   | Receiving Sub-Fund   |
|--|--|
| <p><b>Investment Objective</b><br/>The objective of each Subfund is to generate an appropriate return in the respective Reference Currency by investing in the asset classes described below in accordance with the principle of risk diversification.</p> <p>The Subfunds are actively managed without reference to a benchmark.</p> <p><b>Investment Policy</b><br/>The Subfunds invest their assets worldwide (including emerging countries) providing direct or indirect exposure to the asset classes described below. Indirect exposure may be achieved amongst others via the use of derivatives, structured products and Target Funds. The main part of the investments may be made occasionally in other currencies than the respective Reference Currency of each Subfund. Thus, the risks associated with currency fluctuations are minimized in the long term.</p> <p>Subject to conditions set out in Chapter 4 "Investment Policy", the Subfunds may invest in ancillary liquid assets (i.e., bank deposits at sight) up to 20% of the total net assets of the Subfund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets under Part I of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions.</p> <p>The Subfunds qualify as financial products under Art. 8 (1) of SFDR.</p> <p>Information about the environmental or social characteristics promoted by the Subfunds is available in the SFDR Annex of this Prospectus.</p> | <p><b>Investment objective</b><br/>The Fund's investment objective consists in achieving optimal investment returns while giving due consideration to capital security, liquidity of the net assets and the promotion of environmental or social characteristics.</p> <p><b>General investment policy</b><br/>The assets of the actively managed sub-funds are invested following the principle of risk diversification without the restriction of referencing a benchmark. The performance of the individual sub-fund is not measured by comparison with an index.</p> <p>The sub-funds invest their net assets worldwide in equities, other share-like equity interests such as cooperative shares and participation certificates, as well as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), (participation certificates and claims), commodities, short-term securities, dividend-right certificates, bonds, notes, similar fixed-income and floating-rate securities (debt instruments and claims), all kinds of backed securities, convertible bonds, convertible notes, warrant-linked bonds and warrants on securities, and all other legally permitted assets.</p> <p><b>The sub-funds and their special investment policies</b><br/>UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. These sub-funds promote environmental and/or social characteristics and comply with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social</p> |

characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The investment policy seeks to achieve an attractive level of earnings in terms of the currency of account, while assuming a moderate degree of risk. To this end, investments will be made on a broadly diversified basis throughout the world, primarily in interest-bearing assets. Given the higher equity component compared to the fixed income sub-funds, the investment risk is typically higher than that of the fixed income sub-funds. In line with this investment policy, the sub-funds may invest in high yield bonds, emerging market bonds and commodities.

Unitholders are advised to read the prospectus of the Receiving UCITS and the KID of the Receiving Sub-Fund for a full description of the Receiving Sub-Fund's investment objective and policy.

### 3.2 Further features

|   | Merging Sub-Fund  | Receiving Sub-Fund   |
|---|---|--|
| <b>Classification under Regulation (EU) 2019/2088 ("SFDR") disclosure</b> | The Subfunds qualify as financial products under Art. 8 (1) of SFDR.          | These sub-funds promote environmental and/or social characteristics and comply with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. |
| <b>Global exposure</b>  | The global exposure of the Subfunds will be calculated on a commitment basis. | Global risk calculation method: Commitment approach  |
| <b>Accounting year end</b>  | The accounting year of the Fund ends on 31 March of each year.                | The Fund's financial year ends on the last day of January.   |
| <b>Central Administration</b>   | Credit Suisse Fund Services (Luxembourg) S.A.                                 | Northern Trust Global Services SE  |
| <b>Depository</b>   | Credit Suisse (Luxembourg) S.A.   | UBS Europe SE, Luxembourg Branch   |
| <b>Management Company</b>   | Credit Suisse Fund Management S.A.  | UBS Fund Management (Luxembourg) S.A.  |
| <b>Portfolio Manager</b>  | Credit Suisse Asset Management (Schweiz) AG                                   | UBS Asset Management Switzerland AG, Zurich<br>UBS Switzerland AG, Zurich  |
| <b>Performance fee</b>  | N.A.  | N.A.   |

### 3.3 Profile of typical investor

| Merging Sub-Fund  | Receiving Sub-Fund   |
|---|--|
| <p><b>Investor Profile</b></p> <p>These Subfunds are suitable for investors with medium risk tolerance and a medium-term view who wish to seek exposure to risk and return characteristics of mixed assets.</p> | <p><b>Profile of the typical investor</b></p> <p>These actively managed sub-funds are suitable for income-oriented investors who are seeking a globally diversified portfolio that takes account of environmental and/or social characteristics with the reference currency CHF, USD or EUR.</p> |

### 3.4 Classes of units and currency

- I. The reference currency of the Merging Sub-Fund and the Receiving Sub-Fund is the USD.
- II. The table below shows the active unit classes of the Merging Sub-Fund including their currencies, the corresponding unit classes of the Receiving Sub-Fund and the ISIN numbers of the corresponding unit classes in the Receiving Sub-Fund.

| Unit Class of the Merging Sub-Fund and ISIN |              | Corresponding Unit Class of the Receiving Sub-Fund and ISIN |              |
|---|--------------|---|--------------|
| BH JPY (acc)                                | LU1614284344 | (JPY hedged) P-acc  | LU1410364910 |
| EB USD (acc)                                | LU1230137199 | I-A1-acc  | New          |
| IB USD (acc)                                | LU1230137439 | K-1-acc   | LU0939686977 |
| B USD (acc)                                 | LU0078046959 | P-acc   | LU0033043885 |
| A USD (dist)                                | LU0078046876 | P-dist  | LU0033041590 |
| UB USD (acc)                                | LU1144412282 | Q-acc   | LU0941351925 |
| UA USD (dist)                               | LU1144412100 | Q-dist  | LU1240800539 |

### 3.5 Synthetic risk indicator as per most recent PRIIPs KID

The synthetic risk indicator for all the merging share classes and the receiving share classes is 3.

### 3.6 Distribution policy

| Unit Class of the Merging Sub-Fund | Distribution policy | Corresponding Unit Class of the Receiving Sub-Fund | Distribution policy |
|------------------------------------|---------------------|--|---------------------|
| BH JPY (acc)                       | Accumulating        | (JPY hedged) P-acc                                 | Accumulating        |
| EB USD (acc)                       | Accumulating        | I-A1-acc   | Accumulating        |
| IB USD (acc)                       | Accumulating        | K-1-acc  | Accumulating        |
| B USD (acc)                        | Accumulating        | P-acc  | Accumulating        |
| A USD (dist)                       | Distributing        | P-dist   | Distributing        |
| UB USD (acc)                       | Accumulating        | Q-acc  | Accumulating        |
| UA USD (dist)                      | Distributing        | Q-dist   | Distributing        |

### 3.7 Fees and expenses

| Unit Class Fees of the Merging Sub-Fund |             |               |                  | Unit Class Fees of the Receiving Sub-Fund |             |               |                  |
|---|-------------|---------------|------------------|---|-------------|---------------|------------------|
|   | Entry costs | Ongoing costs | Performance fees |   | Entry costs | Ongoing costs | Performance fees |
| BH JPY (acc)                            | 5%          | 1.78%         | N/A              | (JPY hedged) P-acc                        | 4%          | 1.60%         | N/A              |
| EB USD (acc)                            | 3%          | 0.99%         | N/A              | I-A1-acc                                  | 4%          | 0.94%         | N/A              |
| IB USD (acc)                            | 3%          | 1.00%         | N/A              | K-1-acc                                   | 4%          | 1.02%         | N/A              |
| B USD (acc)                             | 5%          | 1.70%         | N/A              | P-acc                                     | 4%          | 1.55%         | N/A              |
| A USD (dist)                            | 5%          | 1.70%         | N/A              | P-dist                                    | 4%          | 1.55%         | N/A              |
| UB USD (acc)                            | 5%          | 1.45%         | N/A              | Q-acc                                     | 4%          | 0.97%         | N/A              |
| UA USD (dist)                           | 5%          | 1.45%         | N/A              | Q-dist                                    | 4%          | 0.96%         | N/A              |

### 3.8 ISIN Codes

Please note that the ISIN Codes of the units you hold in the Merging Sub-Fund as a result of the Merger will change. Details of the codes are given above under Sub-Section 3.4.

## 4. Criteria for valuation of assets and liabilities

For the purpose of calculating the relevant unit exchange ratio, the rules laid down in the management regulations and the prospectus of the Merging UCITS for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Merging Sub-Fund.

## 5. **Rights of Unitholders in relation to the merger**

Unitholders of the Merging Sub-Fund holding units in the Merging Sub-Fund on the Effective Date will automatically be issued, in exchange for their units in the Merging Sub-Fund, a number of units of the corresponding unit classes of the Receiving Sub-Fund equivalent to the number of units held in the relevant unit class of the Merging Sub-Fund multiplied by the relevant unit exchange ratio which shall be calculated for each class of units on the basis of its respective net asset value as of 17 May 2024. In case the application of the unit exchange ratio does not lead to the issuance of full units, the Unitholders of the Merging Sub-Fund will receive fractions of units up to three decimal points within the Receiving Sub-Fund.

No subscription fee will be levied within the Receiving Sub-Fund as a result of the Merger.

Unitholders of the Merging Sub-Fund will acquire rights as Unitholders of the Receiving Sub-Fund from the Effective Date and will thus participate in any increase or decrease in the net asset value of the corresponding Receiving Sub-Fund.

Unitholders of the Merging Sub-Fund not agreeing with the Merger are given the possibility to request the redemption of their units of the Merging Sub-Fund at the applicable net asset value, without any redemption charges (other than charges retained by the Merging Sub-Fund to meet disinvestment costs) during at least 30 calendar days following the date of the present notice.

Any accrued income, dividends, and income receivables will be included in the calculation of the net asset value of the Merging Sub-Fund and will be transferred into the Receiving Sub-Fund as part of the Merger.

## 6. **Procedural aspects**

### 6.1 No unitholder vote required

No unitholder vote is required in order to carry out the Merger. Unitholders of the Merging Sub-Fund not agreeing with the Merger may request the redemption of their units as stated under section 5 (*Rights of Unitholders in relation to the Merger*) above until the 8 May 2024, 1 p.m. included.

### 6.2 Suspensions in dealings

In order to implement the procedures needed for the Merger in an orderly and timely manner, the Board of Directors has decided that subscriptions for, conversions of units and redemption of units of the Merging Sub-Fund will no longer be accepted or processed from 13 May 2024 to 21 May 2024.

### 6.3 Confirmation of merger

Each unitholder in the Merging Sub-Fund will receive a notification confirming (i) that the Merger has been carried out and (ii) the number of units of the corresponding class of units of the Receiving Sub-Fund that they hold after the Merger.

### 6.4 UCITS Sub-Fund registrations

The Receiving Sub-Fund has been notified to market its units in all Member States where the Merging Sub-Fund is either authorised or has been notified to market its units except for the Kingdom of Denmark, where the Receiving Sub-Fund will be registered before the Effective Date.

## 7. **Costs of the merger**

UBS Asset Management Switzerland AG will bear the legal, advisory and administrative costs (excluding potential transaction costs) and expenses associated with the preparation and completion of the Merger. In addition, and to protect the interests of the investors of the Receiving Sub-Fund, the swing pricing principle described in the Section "Net asset value, issue, redemption and conversion price" in the prospectus of the Receiving Sub-Fund will be applied on a *pro rata* basis on any cash portion of the assets to be merged into the Receiving Sub-Fund, provided that it exceeds the threshold as defined for the Receiving Sub-Fund.

## 8. **Taxation**

The Merger of the Merging Sub-Fund into the Receiving Sub-Fund may have tax consequences for Unitholders. Unitholders should consult their professional advisers about the consequences of this Merger on their individual tax position.

## 9. **Additional information**

### 9.1 Merger reports

Ernst & Young S.A., 35E avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, the authorised auditor of the Merging UCITS in respect of the Merger, will prepare reports on the Merger which shall include a validation of the following items:

- a) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the unit exchange ratio;
- b) the calculation method for determining the unit exchange ratio; and
- c) the final unit exchange ratio.

The merger report regarding items a) to c) above shall be made available at the registered office of the Merging UCITS on request and free of charge to the Unitholders of the Merging Sub-Fund and the CSSF.

### 9.2 Additional documents available

The following documents are available to the Unitholders of the Merging Sub-Fund at the registered office of the Merging UCITS on request and free of charge as from 8 April 2024:

- a) the common draft terms of the merger drawn-up by the Board of Directors containing detailed information on the Merger, including the calculation method of the unit exchange ratio (the "**Common Draft Terms of the Merger**");
- b) a statement by the depositary bank of the Merging UCITS confirming that they have verified compliance of the Common Draft Terms of the Merger with the terms of the law of 17 December 2010 on undertakings for collective investment and the management regulations of the Merging UCITS;
- c) the prospectus of the Receiving UCITS (also available on [www.ubs.com/funds](http://www.ubs.com/funds)); and
- d) the KID of the Merging Sub-Fund and the Receiving Sub-Fund (also available on [www.ubs.com/funds](http://www.ubs.com/funds)). The Board of Directors draws the attention of the Unitholders of the Merging Sub-Fund to the importance of reading the KID of the Receiving Sub-Fund before making any decision in relation to the Merger.

Please contact your financial adviser or the registered office of the Merging UCITS if you have questions regarding this matter.

Yours faithfully,

The Board of Directors