

# Information to the shareholders of Credit Suisse (Lux) Italy Equity Fund and Credit Suisse (Lux) European Entrepreneur Equity Fund Merger Notice

## **CS Investment Funds 2**

Investment Company with Variable Capital under Luxembourg Law

5, rue Jean Monnet,  
L-2180 Luxembourg  
R.C.S. Luxembourg B 124.019

(the "**Company**")

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Notice is hereby given to the shareholders of **Credit Suisse (Lux) Italy Equity Fund** (the "**Merging Subfund**"), a subfund of the Company and of **Credit Suisse (Lux) European Entrepreneur Equity Fund** (the "**Receiving Subfund**"), a subfund of the Company, that the board of directors of the Company decided to merge the Merging Subfund into the Receiving Subfund (the "**Merger**").

### **I. Merger Type**

The boards of directors of the Company have resolved to proceed with the Merger in accordance with article 1(20)(a) and the provisions of Chapter 8 of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the "**2010 Law**"), and article 25 of the articles of incorporation of the Company, by transferring all the assets and liabilities of the Merging Subfund to the Receiving Subfund.

The assets and liabilities of the Merging Subfund will be contributed to the Receiving Subfund as of **13 October 2023** (the "**Effective Date**").

### **II. Merger Rationale**

The board of directors of the Company considers that the Merger is in the best interest of the shareholders of the Merging Subfund and necessary in order to ensure that the assets in the Merging Subfund are managed more efficiently while having a similar allocation in terms of market cap and fee schedule. The intention is to mitigate the significant amount of assets losses incurred by the Merging Subfund, despite the long track record and several attempts to grow the Merging Subfund.

### **III. Impact of the Merger**

#### *Impact of the Merger on shareholders of the Receiving Subfund*

The Merger aims to achieve economies of scale and will ensure that the assets of both the Merging and the Receiving Subfund can be managed more efficiently. The impact on the shareholders as a result of the Merger will be limited given the relative similarities between the Merging Subfund and the Receiving Subfund. In particular, the board of directors of the Company does not anticipate any material risk of performance dilution, since the portfolio of the Merging Subfund will be rebalanced prior to the Effective Date and aligned with the portfolio of the Receiving Subfund. The portfolio of the Receiving Subfund will not be rebalanced in the context of the Merger.

The Merging Subfund currently holds one illiquid asset and following the Merger, this asset will be transferred to the Receiving Subfund. Given the limited size of this illiquid asset in the overall portfolio of the Merging Subfund, the impact of its transfer to the Receiving Subfund is expected to be negligible.

*Impact of the Merger on shareholders of the Merging Subfund*

The Merger will ensure that the assets of the Merging Subfund can be managed more efficiently. The impact on the shareholders of the Merging Subfund as a result of the Merger will be limited given the relative similarities between the Merging Subfund and the Receiving Subfund.

In exchange for the transfer of the assets and liabilities of the Merging Subfund, the Receiving Subfund shall issue shares without charge, and the shareholders currently holding shares in the Merging Subfund will receive shares in the Receiving Subfund, as indicated further in the table below. The Key Information Document ("**KID**") of each relevant share class of the Receiving Subfund may be obtained, free of charge, at the registered office of the Company or on the internet at [www.credit-suisse.com](http://www.credit-suisse.com). **Shareholders of the Merging Subfund are encouraged to carefully consider the KID and consult their financial advisor for any questions they may have in relation to the Merger.**

As part of the Merger, a majority of the portfolio of the Merging Subfund will be rebalanced in order to align the Merging Subfund's portfolio to the one of the Receiving Subfund, reflected further below. Investors in the Merging Subfund should note that transaction costs related to such rebalancing will be borne by the Merging Subfund. The alignment of the portfolio of the Merging Subfund to the Receiving Subfund will ensure that investors remain fully invested in equities and similar instruments and that the investment objectives and principles / strategies of each of the Merging Subfund and the Receiving Subfund described below become comparable and lead to comparable market exposures soon after the closing of the Merging Subfund for redemptions. The above-described portfolio rebalancing will take place between the date on which the Merging Subfund is closed for redemptions, as specified below, and the Effective Date.

As at the date of this notice, there is no performance fee accrued in the Merging Subfund. Should there be any performance fee accrued by the Effective Date, the performance fee will be crystallised, in accordance with CSSF Circular 20/764 and reflected in the last net asset value of the Merging Subfund that will serve as the basis for the calculation of the exchange ratio (as further explained below).

**Shareholders of the Merging Subfund should be particularly aware that the Receiving Subfund does not qualify as a *piani individuali di risparmio a lungo termine* ("PIR") under the Italian 2017 Budget Law (Law No 232 of 11 December 2016), the Italian 2019 Budget Law (Law No. 145 of 30 December 2018) and the Italian 2020 Budget Law (Law No. 160 of 27 December 2019), so that it may not benefit from the same tax advantages as the Merging Subfund. Shareholders should consult their tax advisors on the implications of the Merger for their personal tax situation.**

Merging Subfund CS Investment Funds 2 – Credit Suisse (Lux) Italy Equity Fund								Receiving Subfund CS Investment Funds 2 – Credit Suisse (Lux) European Entrepreneur Equity Fund							
Share Class (Currency)	Type of Share*	Minimum Holding	Maximum Sales Charge	Maximum Adjustment of the Net Asset Value	Maximum Management Fee (p.a.)	Total Expense Ratio**	Summary Risk Indicator	Share Class (Currency)	Type of Share*	Minimum Holding	Maximum Sales Charge	Maximum Adjustment of the Net Asset Value	Maximum Management Fee (p.a.)	Total Expense Ratio **	Summary Risk Indicator
B (EUR)	ACC	n/a	5,00%	2,00%	1,92 %	1,89%	5	B (EUR)	ACC	n/a	5,00%	2,00%	1,92%	1,91%	4
EBP (EUR)	ACC	n/a	3,00%	2,00%	0,50%	0,73%	5	EBP (EUR)	ACC	n/a	3,00%	2,00%	0,70%	0,88%	4
UBP (EUR)	ACC	n/a	5,00%	2,00%	1,20%	0,88%	5	UBP (EUR)	ACC	n/a	5,00%	2,00%	1,20%	1,01%	4

\*ACC=accumulating

\*\* Based on the figures from the Semi-Annual Report dated 30/11/2022

The following table illustrates the similarities and the differences between the investment objectives and principles of the Merging Subfund and the Receiving Subfund:

Legal form, investment objectives, principles and investor profiles	
Merging Subfund CS Investment Funds 2 – Credit Suisse (Lux) Italy Equity Fund	Receiving Subfund CS Investment Funds 2 – Credit Suisse (Lux) European Entrepreneur Equity Fund
<p><b>Legal form</b> The Merging Subfund is a subfund of CS Investment Funds 2, an investment company with variable capital (<i>société d'investissement à capital variable</i>).</p>	<p><b>Legal form</b> The Receiving Subfund is a subfund of CS Investment Funds 2, an investment company with variable capital (<i>société d'investissement à capital variable</i>).</p>
<p><b>Investment Objective</b> The objective of the Subfund is to achieve the highest possible return in Euros (Reference Currency), while taking due account of the principle of risk diversification, the security of the capital invested, and the liquidity of the assets. This Subfund aims to outperform the return of the MSCI Italy 10/40 (NR) benchmark. The Subfund is actively managed. The benchmark is used as a reference point for portfolio construction and as a basis for setting risk constraints and/or for Performance Fee measurement purposes. The majority of the Subfund's equity securities will be components of or have weightings derived from the benchmark. The Investment Manager will to some extent use its discretion to overweight or underweight certain components of the benchmark and to a lesser extent invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Subfund may to a limited extent deviate from the benchmark.</p>	<p><b>Investment Objective</b> The objective of the Subfund is to achieve the highest possible return in Euros (Reference Currency), while taking due account of the principle of risk diversification, the security of the capital invested, and the liquidity of the assets. This Subfund aims to outperform the return of the MSCI EMU (NR) benchmark. The Subfund is actively managed. The benchmark is used as a reference point for portfolio construction and as a basis for setting risk constraints and/or for Performance Fee measurement purposes. The majority of the Subfund's equity securities will not necessarily be components of or have weightings derived from the benchmark. The Investment Manager will use its discretion to significantly deviate the weighting of certain components of the benchmark and to significantly invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Subfund will significantly deviate from the benchmark.</p>
<p><b>Investment Principles</b> At least two-thirds of the Subfund's net assets are invested in equities and other equity-type securities and rights (American depository receipts [ADRs], global depository receipts, profit-sharing certificates, participation certificates, dividend rights certificates, etc.) of companies which are domiciled in or carry out</p>	<p><b>Investment Principles</b> At least two-thirds of the Subfund's net assets are invested in equities and other equity-type securities and rights (American depository receipts [ADRs], global depository receipts, profit-sharing certificates, participation certificates, dividend rights certificates, etc.) issued by companies which are directly or</p>

<p>the bulk of their business activities in Italy and are characterized by high profitability, a solid financial structure and successful management.</p> <p>Securities are selected irrespective of their market capitalization.</p> <p>For hedging purposes, and in the interest of the efficient management of the portfolio as well as for the implementation of the investment strategy the aforementioned investments may also be effected by way of derivatives, provided the limits set out in Chapter 6, "Investment Restrictions" are observed. Derivatives may include futures and options on equities, be linked to security baskets or indices and shall be chosen in accordance with Art. 9 of the Grand-Ducal Decree of February 8, 2008.</p> <p>Subject to conditions set out in Chapter 4 "Investment Policy", the Subfund 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>In addition to the bank deposits at sight referred to above, the Subfund may also invest up to one third of its net assets (including the bank deposits at sight referred to above) in equities and equity-type securities of companies not fulfilling the above requirements, cash, time deposits, liquidity funds, money market funds, money market instruments, fixed income securities, which may include, but not limited to, bonds, convertible bonds, notes, and similar fixed and variable interest rate securities, discounted securities issued by public, private and semi-private issuers worldwide. In any case and for the avoidance of doubt, investment in liquidity funds and money market funds is limited to 10% of the total net assets.</p> <p>The Subfund may – subject to the investment principles set out above – invest up to 10% of its net assets in structured products (certificates, notes) on equities, equity-type securities, equity baskets and equity indices that are sufficiently liquid and are issued by first-class banks (or by issuers that offer investor protection comparable to that provided by first-class banks). These structured products must qualify as securities pursuant to Art. 41 of the Law of December 17, 2010. Moreover, these structured products must be valued regularly and transparently on the basis of independent sources. Structured products must not entail any leverage effect. As well as satisfying the regulations on risk spreading, the equity baskets and equity indices must be sufficiently diversified.</p> <p>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 3 of Chapter 6, "Investment Restrictions".</p> <p>The Subfund will invest more than 50% of the value of its total assets in Qualifying Equity Instruments.</p> <p>The Subfund qualifies as a financial product under Art. 6 of SFDR.</p> <p>The investments underlying this Subfund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The global exposure of the Subfund will be calculated on the basis of the commitment approach.</p>	<p>indirectly owned, controlled and/or managed by entrepreneurs and/or families who are represented in the shareholders' capital with at least 10% of voting rights and have their registered office or carry out the majority of their economic activity in countries of the European Monetary Union.</p> <p>For hedging purposes, and in the interest of the efficient management of the portfolio as well as for the implementation of the investment strategy the aforementioned investments may also be effected by way of derivatives, provided the limits set out in Chapter 6, "Investment Restrictions" are observed. Derivatives may be linked to security baskets or indices and shall be chosen in accordance with Art. 9 of the Grand-Ducal Decree of February 8, 2008.</p> <p>Subject to conditions set out in Chapter 4 "Investment Policy", the Subfund 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>In addition to the bank deposits at sight referred to above, the Subfund may also invest up to one third of its net assets (including the bank deposits at sight referred to above) in equities and equity-type securities of companies not fulfilling the above requirements, cash, time deposits, liquidity funds, money market funds, money market instruments, fixed income securities, which may include, but not limited to, bonds, notes, and similar fixed and variable interest rate securities, discounted securities issued by public, private and semi-private issuers worldwide (including emerging markets). In any case and for the avoidance of doubt, investment in liquidity funds and money market funds is limited to 10% of the total net assets.</p> <p>The Subfund may – subject to the investment principles set out above – invest up to 10% of its net assets in structured products (certificates, notes) on equities, equity-type securities, equity baskets and equity indices that are sufficiently liquid and are issued by first-class banks (or by issuers that offer investor protection comparable to that provided by first-class banks). These structured products must qualify as securities pursuant to Art. 41 of the Law of December 17, 2010. Moreover, these structured products must be valued regularly and transparently on the basis of independent sources. Structured products must not entail any leverage effect. As well as satisfying the regulations on risk spreading, the equity baskets and equity indices must be sufficiently diversified.</p> <p>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 3 of Chapter 6, "Investment Restrictions".</p> <p>The Subfund will invest more than 50% of the value of its total assets in Qualifying Equity Instruments.</p> <p>The Subfund qualifies as a financial product under Art. 8 (1) of SFDR.</p> <p>Information about the environmental or social characteristics promoted by the Subfund is available in the SFDR Annex of this Prospectus.</p> <p>The global exposure of the Subfund will be calculated on the basis of the commitment approach.</p>
<p><b>Sustainability Considerations</b></p> <p>The Subfund qualifies as a financial product under Art. 6 of the SFDR.</p>	<p><b>Sustainability Considerations</b></p> <p>The Subfund qualifies as a financial product under Art. 8 (1) of the SFDR and is managed by Credit Suisse Asset Management ("CSAM") in accordance with the CSAM Sustainable Investing Policy.</p>

<p><b>PIR eligibility</b></p> <p>The Subfund's shares are included among eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" (PIR) under the Italian 2017 Budget Law (Law No 232 of 11 December 2016), the Italian 2019 Budget Law (Law No. 145 of 30 December 2018) and the Italian 2020 Budget Law (Law No. 160 of 27 December 2019). The Subfund shall invest at least 70% of the portfolio in financial instruments (stocks and money market instruments) (the "PIR Ratio"), whether or not negotiated on a regulated market or on a multilateral trading facility, issued by, or entered into with companies which are resident in Italy, or in an EU or EEA Member State which have a permanent establishment in Italy. The PIR Ratio shall be invested for at least 25% of the total value in financial instruments of companies other than those included in the FTSE MIB index of the Italian Stock Exchange or equivalent indices of other regulated markets; the PIR Ratio shall be invested for at least a further 5% of the total value in financial instruments of companies other than those included in the FTSE MIB and FTSE MID Cap indices of the Italian Stock Exchange or equivalent indices of other regulated markets. The Subfund cannot invest more than 10% of the portfolio in financial instruments issued by, or entered into with the same company, or companies belonging to the same group, or in cash deposits. The Subfund cannot invest in financial instruments issued by companies which are not resident in countries that allow an adequate exchange of information with Italy.</p>	<p><b>PEA eligibility</b></p> <p>The Subfund invest at least 75% of its total assets in equities and equity-type paper of companies which (i) have their registered office in an EU Member State or in another country which, as a signatory to the Agreement on the European Economic Area, has signed an agreement with France on administrative assistance to combat tax fraud and tax evasion, and (ii) is subject to taxation equivalent to French corporation tax.</p>
<p><b>Investor Profile</b></p> <p>The Subfund is suitable for investors with high risk tolerance and a long-term view who wish to invest in a broadly diversified portfolio of securities of companies domiciled in Italy.</p>	<p><b>Investor Profile</b></p> <p>The Subfund is suitable for investors with high risk tolerance and a long-term view who wish to invest in a broadly diversified portfolio of European family and/or entrepreneur dominated companies.</p>
<p><b>Risk Information</b></p> <p>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. It must also be borne in mind that companies are selected regardless of their market capitalization (micro, small, mid, large caps) or sector. This may lead to a concentration in terms of market segments or sectors.</p> <p>Investors should read, be aware of and consider Chapter 7, "Risk Factors" of the Prospectus.</p> <p>Sustainability risks may result in a negative impact on the returns of the Subfund. The main sustainability risks are identified and managed in the context of the overall risk management process and may change over time.</p> <p>Potential investors are also referred to the risks set out in Chapter 7, "Risk Factors" under section "Sustainability Risks".</p>	<p><b>Risk Information</b></p> <p>Investors should read, be aware of and consider Chapter 7, "Risk Factors" of the Prospectus and the risk information described below.</p> <p>The Subfund may invest in emerging markets. 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 not classed as emerging (i.e. developed countries). Emerging countries and developing markets are defined as countries which are not classified by the World Bank as high income countries. In addition, high income countries which are included in an emerging market financial index of a leading service provider may also be considered as emerging countries and developing markets if deemed appropriate by the Management Company in the context of a Subfund's investment universe. 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 this Subfund should only be made on a long-term basis. Investments in emerging markets 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. 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. It must also be borne in mind that companies are selected regardless of</p>

	<p>their market capitalization (micro, small, mid, large caps) or sector. This may lead to a concentration in terms of market segments or sectors on fund or security level.</p> <p>A fluctuation in the exchange rate of local currencies in relation to the euro will bring about a corresponding, simultaneous fluctuation in the net assets of the Subfund as expressed in the euro, while local currencies may be subject to foreign exchange restrictions.</p> <p>Sustainability risks may result in a negative impact on the returns of the Subfund. Currently, the risks of a new carbon tax, substitution of existing products and services, unsuccessful investment in new sustainable technologies and increased cost of raw materials have been identified as being highly relevant for this Subfund. The main sustainability risks may change in the future.</p> <p>Potential investors are also referred to the risks set out in Chapter 7, "Risk Factors" under sections "Sustainability Risks" and "Sustainable Investing Risks".</p>
<p><b>Global Exposure</b> The global exposure of the Subfund will be calculated on the basis of the commitment approach.</p>	<p><b>Global Exposure</b> The global exposure of the Subfund will be calculated on the basis of the commitment approach.</p>
<p><b>Dealing frequency</b> The Net Asset Value of the Shares of the Subfund is calculated under the responsibility of the Company's Board of Directors in Luxembourg on each Banking Day (i.e. any day on which banks are open all day for business in Luxembourg), each such day also referred to as a "Valuation Day"</p>	<p><b>Dealing frequency</b> The Net Asset Value of the Shares of the Subfund is calculated under the responsibility of the Company's Board of Directors in Luxembourg on each Banking Day (i.e. any day on which banks are open all day for business in Luxembourg), each such day also referred to as a "Valuation Day"</p>
<p><b>Subscription, Redemption and Conversion of Shares</b> Subscription, redemption and conversion applications must be submitted in written form to the Central Administration or a Distributor authorized by the Company to accept such applications, by 3 p.m. (Central European Time) one Banking Day prior to the Valuation Day on any day on which banks are open for business in Luxembourg. Subscription, redemption and conversion applications received after this cut-off point shall be deemed to have been received prior to 3 p.m. on the next following Banking Day. The payment of the issue price must be effected one Banking Day after the Valuation Date on which the issue price of the Shares was determined. The payment of the redemption price of the shares shall be made one Banking Day following calculation of this price. No Shares of the Subfund will be, directly or indirectly, advertised, offered, distributed or sold to persons resident in India and no subscription application for Shares in the Subfund will be accepted if the acquisition of these Shares is financed by funds derived from sources within India. As described under Chapter 5, "Investment in CS Investment Funds 2" of the Prospectus, the Company is entitled to compulsorily redeem all Shares held by a Shareholder in any 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. As a consequence the Shareholders shall note that the legal, regulatory or tax requirements applicable to their shareholding in the Subfund may include specific local requirements applicable as per the Indian laws and regulations and that non-compliance with the Indian regulations might lead to the termination of their investment in the Subfund, the compulsory redemption (in whole or in part) of the Shares held by the investors in the Subfund, the retention of any redemption proceeds to the investors or to any other measures taken by the local authorities and impacting the investment of the investor in the Subfund.</p>	<p><b>Subscription, Redemption and Conversion of Shares</b> Subscription, redemption and conversion applications must be submitted in written form to the Central Administration or a Distributor authorized by the Company to accept such applications, by 3 p.m. (Central European Time) one Banking Day prior to the Valuation Day on any day on which banks are open for business in Luxembourg. Subscription, redemption and conversion applications received after this cut-off point shall be deemed to have been received prior to 3 p.m. on the next following Banking Day. The payment of the issue price must be effected one Banking Day after the Valuation Date on which the issue price of the Shares was determined. The payment of the redemption price of the shares shall be made one Banking Day following calculation of this price. No Shares of the Subfund will be, directly or indirectly, advertised, offered, distributed or sold to persons resident in India and no subscription application for Shares in the Subfund will be accepted if the acquisition of these Shares is financed by funds derived from sources within India. As described under Chapter 5, "Investment in CS Investment Funds 2" of the Prospectus, the Company is entitled to compulsorily redeem all Shares held by a Shareholder in any 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. As a consequence the Shareholders shall note that the legal, regulatory or tax requirements applicable to their shareholding in the Subfund may include specific local requirements applicable as per the Indian laws and regulations and that non-compliance with the Indian regulations might lead to the termination of their investment in the Subfund, the compulsory redemption (in whole or in part) of the Shares held by the investors in the Subfund, the retention of any redemption proceeds to the investors or to any other measures taken by the local authorities and impacting the investment of the investor in the Subfund.</p>

**Performance Fee**

The Management Company is entitled to a Performance Fee for the Subfund, which is calculated daily ("Computation Frequency") on the basis of the unswung net asset value before performance fee accrual for the relevant Valuation Day of the Share Class concerned ("Calculation Date").

The relative high watermark principle is adopted for the calculation of the performance fee, meaning that any underperformance incurred by the relevant Share Class of the Subfund against its benchmark during the performance reference period of 5 years ("Reference Period") must be recovered before a Performance Fee becomes payable, it being understood that performance fees may be payable during the reference period of 5 years and/or in the first years of a Subfund's existence, in case the relevant Share Class of the Subfund has not existed for 5 years or after a reset of the high watermark (having an equivalent impact on the handling of the reference period as a new launch).

The Performance Fee shall be payable (i.e., crystallised) on an annual basis ("Crystallisation Period"). The Crystallisation Period will end on May, 31<sup>st</sup> (with the first Crystallisation Period being potentially longer than 12 months while starting with the launch of the Subfund or the relevant Share Class and lasting at least 12 months).

The calculation of the Performance Fee and the necessary provisioning take place with every Net Asset Value calculation. The accrued Performance Fee shall be payable annually in arrears within one month after the end of the respective Crystallisation Period, and, if Shares are redeemed during the Crystallisation Period, the amount of Performance Fee included in the Net Asset Value per Share will be due and owed (i.e. crystallized) for these redeemed Shares in due proportion on the date of the Shareholder's redemption.

If, on the Calculation Date, the net performance of the unswung net asset value of a Share Class (net of all costs) is above the benchmark performance, a Performance Fee of 15% for all Share Classes (see Chapter 2, "Summary of Share Classes") shall be deducted on the difference between the performance of the unswung net asset value of the relevant Share Class and the performance of the benchmark (i.e. relative value) over the same Crystallisation Period, provided that such difference exceeds the sum of any yearly underperformances against the benchmark during the performance reference period of up to 5 years (or less in case the relevant Share Class of the Subfund has not existed for 5 years or after a reset of the high watermark). The Performance Fee is calculated on the basis of the Shares of the relevant Share Class that are in circulation during the Crystallisation Period whereas the effect of new subscriptions is neutralized. The new subscriptions will therefore only be impacted by the Performance Fee after they contributed to the performance of the relevant Share Class.

For the avoidance of doubt, the Performance Fee shall be paid from the relevant Share Class of the Subfund on the payment date also in the event of negative absolute performance by the relevant Share Class of the Subfund, provided that relevant Share Class of the Subfund has exceeded the benchmark since the previous performance fee payment date.

The benchmark of the Subfund is the MSCI Italy 10/40 (NR), which is provided by MSCI Limited, an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmark Regulation. The benchmark will be used for the EUR share classes as reference to calculate the outperformance. For the hedged share classes, the respective hedged version of the benchmark in the relevant currency shall be used for calculation of the outperformance.

If no Performance Fee is due during a period of five years, the relative high watermark will be reset on that day at the next NAV calculation to the unswung NAV at the end of the five year-period ("carry forward conditions").

**Performance Fee**

The Management Company is entitled to a Performance Fee for the Subfund, which is calculated daily ("Computation Frequency") on the basis of the unswung net asset value before performance fee accrual for the relevant Valuation Day of the Share Class concerned ("Calculation Date").

The relative high watermark principle is adopted for the calculation of the performance fee, meaning that any underperformance incurred by the relevant Share Class of the Subfund against its benchmark during the performance reference period of 5 years ("Reference Period") must be recovered before a Performance Fee becomes payable, it being understood that performance fees may be payable during the reference period of 5 years and/or in the first years of a Subfund's existence, in case the relevant Share Class of the Subfund has not existed for 5 years or after a reset of the high watermark (having an equivalent impact on the handling of the reference period as a new launch).

The Performance Fee shall be payable (i.e., crystallised) on an annual basis ("Crystallisation Period"). The Crystallisation Period will end on May, 31<sup>st</sup> (with the first Crystallisation Period being potentially longer than 12 months while starting with the launch of the Subfund or the relevant Share Class and lasting at least 12 months).

The calculation of the Performance Fee and the necessary provisioning take place with every Net Asset Value calculation. The accrued Performance Fee shall be payable annually in arrears within one month after the end of the respective Crystallisation Period, and, if Shares are redeemed during the Crystallisation Period, the amount of Performance Fee included in the Net Asset Value per Share will be due and owed (i.e. crystallized) for these redeemed Shares in due proportion on the date of the Shareholder's redemption.

If, on the Calculation Date, the net performance of the unswung net asset value of a Share Class (net of all costs) is above the benchmark performance, a Performance Fee of 15% for all Share Classes (see Chapter 2, "Summary of Share Classes") shall be deducted on the difference between the performance of the unswung net asset value of the relevant Share Class and the performance of the benchmark (i.e. relative value) over the same Crystallisation Period, provided that such difference exceeds the sum of any yearly underperformances against the benchmark during the performance reference period of up to 5 years (or less in case the relevant Share Class of the Subfund has not existed for 5 years or after a reset of the high watermark). The Performance Fee is calculated on the basis of the Shares of the relevant Share Class that are in circulation during the Crystallisation Period whereas the effect of new subscriptions is neutralized. The new subscriptions will therefore only be impacted by the Performance Fee after they contributed to the performance of the relevant Share Class.

For the avoidance of doubt, the Performance Fee shall be paid from the relevant Share Class of the Subfund on the payment date also in the event of negative absolute performance by the relevant Share Class of the Subfund, provided that relevant Share Class of the Subfund has exceeded the benchmark since the previous performance fee payment date.

The benchmark of the Subfund is the MSCI EMU (NR), which is provided by MSCI Limited, an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmark Regulation. The benchmark will be used for the EUR share classes as reference to calculate the outperformance. For the hedged share classes, the respective hedged version of the benchmark in the relevant currency shall be used for calculation of the outperformance.

If no Performance Fee is due during a period of five years, the relative high watermark will be reset on that day at the next NAV calculation to the unswung NAV at the end of the five year-period ("carry forward conditions").

<p>A Performance Fee is accrued when the following conditions apply to the relevant Share Class of the Subfund:  <math>(NAV \text{ per Share})_t - (\text{Benchmark})_t &gt; 0</math>  and  <math>(NAV \text{ per Share})_t - (\text{Benchmark})_t &gt; \text{sum of yearly underperformances against the Benchmark during the performance reference period of 5 years (or less in case the Subfund has not existed for 5 years or after a reset of the high watermark)}</math>  If both these conditions are met, then the following applies:  <math>0.15 \times ([NAV_t \text{ per Share performance} - (\text{Benchmark})_t \text{ performance}] \times (\text{number of Shares})_t - (\text{Cumulated Adjustment on subscriptions})_t)</math>  where: NAV<sub>t</sub> = current unswung Net Asset Value prior to provision for Performance Fee  t = current Calculation Date</p> <p>(Cumulated Adjustment on subscriptions)<sub>t</sub> = the neutralization factor which avoids that performance fee is provisioned on the new Shares subscribed during the Crystallisation period before they started to contribute to the performance of the relevant Share Class</p>	<p>A Performance Fee is accrued when the following conditions apply to the relevant Share Class of the Subfund:  <math>(NAV \text{ per Share})_t - (\text{Benchmark})_t &gt; 0</math>  and  <math>(NAV \text{ per Share})_t - (\text{Benchmark})_t &gt; \text{sum of yearly underperformances against the Benchmark during the performance reference period of 5 years (or less in case the Subfund has not existed for 5 years or after a reset of the high watermark)}</math>  If both these conditions are met, then the following applies:  <math>0.15 \times ([NAV_t \text{ per Share performance} - (\text{Benchmark})_t \text{ performance}] \times (\text{number of Shares})_t - (\text{Cumulated Adjustment on subscriptions})_t)</math>  where: NAV<sub>t</sub> = current unswung Net Asset Value prior to provision for Performance Fee  t = current Calculation Date</p> <p>(Cumulated Adjustment on subscriptions)<sub>t</sub> = the neutralization factor which avoids that performance fee is provisioned on the new Shares subscribed during the Crystallisation period before they started to contribute to the performance of the relevant Share Class</p>
<p><b>Management Company</b>  Credit Suisse Fund Management S.A.</p>	<p><b>Management Company</b>  Credit Suisse Fund Management S.A.</p>
<p><b>Depository Bank</b>  Credit Suisse (Luxembourg) S.A.</p>	<p><b>Depository Bank</b>  Credit Suisse (Luxembourg) S.A.</p>
<p><b>Investment Manager</b>  Credit Suisse (Italy) S.p.A.</p>	<p><b>Investment Manager</b>  Credit Suisse Asset Management (Schweiz) AG, Zurich</p>
<p><b>Central Administration</b>  Credit Suisse Fund Services (Luxembourg) S.A.</p>	<p><b>Central Administration</b>  Credit Suisse Fund Services (Luxembourg) S.A.</p>
<p><b>Auditor of the Company</b>  PricewaterhouseCoopers</p>	<p><b>Auditor of the Company</b>  PricewaterhouseCoopers</p>



However, the respective share classes in the Receiving Subfund sometimes differ from the corresponding share classes of the Merging Subfund in terms of (i) applicable fees, costs and charges, (ii) summary risk indicator and (iii) hedging policy.

Also, the shareholders of the Merging Subfund will keep their voting rights in the Company since the Receiving Subfund is a subfund of the Company.

No further subscriptions or conversions in the Merging Subfund will be accepted as from 24 August 2023 at 3:00 p.m. (CEST).

Shareholders of the Merging Subfund and the Receiving Subfund who do not agree with the Merger can apply for redemption of all or part of their shares free of charge, other than those retained for disinvestment costs, during a period starting on the date of this publication, being 24 August 2023, and ending on 5 October 2023 at 3:00 p.m. (CEST). Any redemption applications in the Merging Subfund received after 3:00 p.m. (CEST) on 5 October 2023 will not be processed. Any such redemption requests should be submitted in the Receiving Subfund to its central administration, Credit Suisse Fund Services (Luxembourg) S.A., 5, rue Jean Monnet, L-2180 Luxembourg, on or after the Effective Date.

PricewaterhouseCoopers, *Société Coopérative*, with registered office at 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg, has been appointed by the Company as the independent auditor in charge of preparing a report validating the conditions foreseen in the 2010 Law for the purpose of the Merger.

**The last net asset value of the Merging Subfund will be calculated on 13 October 2023.**

As of the Effective Date, the shareholders of the Merging Subfund who have not applied for redemption will receive a number of new shares (as applicable) of the relevant share class of the Receiving Subfund on the basis of the exchange ratio mentioned below (the "**New Shares**") and no subscription charge will be applied in this respect. Investors may deal in their New Shares before receiving the confirmation of the allocation of the New Shares.

All costs of the Merger (with the exception of any dealing costs, audit costs and transfer taxes on the assets associated with the transfer of assets and liabilities and the custody transfer costs) will be borne by the Management Company, including legal, accounting and other administrative expenses.

Shareholders of the Merging Subfund should inform themselves as to the possible tax implications of the aforementioned changes in their respective country of citizenship, residence or domicile.

**IV. Criteria adopted for the valuation of assets and liabilities on the date of calculating the exchange ratio**

The assets and liabilities of the Merging Subfund and the Receiving Subfund will be valued in accordance with the valuation principles laid down in Chapter 8 of the current prospectus of the Company and article 20 of the articles of incorporation of the Company.

**V. Calculation method of the exchange ratio**

The number of shares in the Receiving Subfund to be allocated to the shareholders of the Merging Subfund will be determined by multiplying each shareholder's current shareholding in each class of the Merging Subfund with the relevant exchange ratio, which will be calculated by dividing the most recent net asset values of the relevant share classes of the Merging Subfund by the most recent net asset values of the corresponding share classes of the Receiving Subfund, both calculated in accordance with the prospectus of the Company and audited by the auditor of the Company on the Effective Date.

The exchange ratio will be calculated on 13 October 2023, based on the closing prices of 12 October 2023 and be published as soon as practicable. Shareholders of the Merging Subfund will be informed accordingly.

**VI. Additional information for shareholders of the Merging Subfund**

Shareholders of the Merging Subfund and the Receiving Subfund may receive additional information in respect of the Merger at the registered office of the Company at 5 rue Jean Monnet, L-2180 Luxembourg.

Once available, a copy of the common terms of merger adopted by the board of directors of the Company in relation to the Merger, a copy of the certificate issued by the depositary of the Company in relation to

the Merger and the auditor's statement on the terms and conditions of the Merger will be made available, free of charge, at the registered office of the Company.

Shareholders of the Merging Subfund and the Receiving Subfund should note that, once the above change enters into effect, the new prospectus, the key information documents, the articles of incorporation and the last annual and semi-annual reports of the Company may be obtained, free of charge, at the registered office of the Company or on the internet at [www.credit-suisse.com](http://www.credit-suisse.com).

Zurich, 24 August 2023

Representative in Switzerland:  
Paying agent in Switzerland:

Credit Suisse Funds AG, Zurich  
Credit Suisse (Schweiz) AG, Zurich