

**CS Investment Funds 1**

***Société d'investissement à capital variable***

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

**R.C.S. Luxembourg B 131404**

(the "**Merging UCITS**")

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**Notice to Shareholders:**

**CS Investment Funds 1– Credit Suisse (Lux) SQ US Corporate Bond Fund**

(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.**

17 June 2024

Dear Shareholders,

The board of directors (the "**Board of Directors**") of the Merging UCITS, has decided to merge the Merging Sub-Fund into UBS (Lux) Bond SICAV – USD Investment Grade Corporates Sustainable (USD) (the "**Receiving Sub-Fund**"), a sub-fund of UBS (Lux) Bond SICAV, a *société d'investissement à capital variable*, formed and existing under the laws of the Grand Duchy of Luxembourg having its registered office at 33A, avenue J.F. Kennedy, L-1855, Grand Duchy of Luxembourg and registered with the RCS under number B 56385 (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 24 July 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. Shareholders 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 shareholders' interest and takes place in the context of the following rationale. Following a detailed review of the combined fund offering of each asset management division at UBS and Credit Suisse, the Merging Sub-Fund has been identified as overlapping in terms of investment objective and universe, as UBS offers a comparable product in the form of the Receiving Fund. The aim of merging the Merging Sub-Fund with the Receiving Sub-Fund is to manage the sub-funds more cost-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.
- 1.2 The Merger of the Merging Sub-Fund into the Receiving Sub-Fund will result in an overall increase of assets under management and therefore the Boards believe that the Merger is in the interest of the shareholders of the Merging Sub-Fund and the Receiving Sub-Fund, respectively.

## 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 No general meeting of Shareholders shall be convened in order to approve the Merger and Shareholders are not required to vote on the Merger.
- 2.4 The Shareholders holding shares of the Merging Sub-Fund on the Effective Date will automatically be issued shares of the Receiving Sub-Fund in exchange for their shares of the Merging Sub-Fund, in accordance with the relevant share exchange ratio and participate in the results of the respective Receiving Sub-Fund as from such date. Shareholders 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 Shareholders in relation to the Merger*) below.
- 2.5 Subscriptions and/or conversions of shares of the Merging Sub-Fund will be suspended from 17 June 2024 to 24 July 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 Redemptions of shares of the Merging Sub-Fund will be suspended from 18 July 2024 to 24 July 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.
- 2.7 Other procedural aspects of the Merger are set out in section 6 (*Procedural aspects*) below.
- 2.8 The Merger has been authorised by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**").

2.9 The timetable below summarises the key steps of the Merger (\*).

Notice Period	From 17 June 2024 to 17 July 2024
Suspension Period of subscription and conversion of shares of the Merging Sub-Fund	From 17 June 2024 to 24 July 2024 (last cut-off for Subscriptions: 14 June 2024, 3 p.m.)
Suspension Period of redemption of shares of the Merging Sub-Fund	From 18 July 2024 to 24 July 2024 (last cut-off for Redemptions: 17 July 2024, 3 p.m.)
Final NAV Date	23 July 2024
Effective Date	24 July 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 shareholders in the Merging Sub-Fund in writing, upon (i) authorisation 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 five (5) working days, and (iii) registration of the Receiving Sub-Fund in all EU Member States where the Merged 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 Shareholders of the Merging Sub-Fund

The main characteristics 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.

Shareholders 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 manager of the Receiving Sub-Fund, UBS Asset Management (Americas) LLC, New York, 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 period during which all subscriptions, conversion and redemptions of shares of the Merging Sub-Fund will be suspended (from 18 July 2024 to 24 July 2024). During this period, the investment rules and restrictions will be waived. 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.

The Receiving Sub-Fund is not and will not be authorised for registration and / or solicitation in South Africa and as such, investors previously benefiting from Section 65 regulatory approval status will no longer benefit from such regulatory approval status.

### 3.1 Investment objective and policy

Merging Sub-Fund	Receiving Sub-Fund
<p><b>Investment Objective</b> The investment objective of the Subfund is primarily to achieve income and capital appreciation from bonds and other debt securities denominated in US-Dollar issued by corporate issuers while preserving the value of the assets.</p> <p>This Subfund aims to outperform the return of Bloomberg Intermediate Corporate benchmark. The Subfund is actively managed. The benchmark has been selected because it is representative of the investment universe of the Subfund and it is therefore an appropriate performance comparator. The majority of the Subfund's exposure to bonds will likely 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 bonds 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 net assets of the Subfund shall be invested in bonds (including zero-coupon bonds, subordinated bonds, covered bonds perpetual bonds, and securities issued on a discount basis) and other fixed-interest and floating-rate securities (including fixed rate bonds, floating rate notes) of corporate issuers which are domiciled in or carry out the bulk of their business activities in the United States of America.</p>	<p><b>Investment objective and investment policy</b> The actively managed sub-fund invests primarily in corporate bonds denominated in USD of issuers with a strong ESG (Environmental, Social and Governance) profile.</p> <p>The sub-fund uses the benchmark Bloomberg US Corporate Intermediate Index (TR) as reference for portfolio construction, performance evaluation, sustainability profile comparison and risk management purposes. The benchmark is not designed to promote ESG characteristics. The sub-fund invests at least two thirds of its assets in investment-grade claims and debt securities that are issued by companies. At least two thirds of the sub-fund's investments must be rated between AAA and BBB- (Standard &amp; Poor's) or that have a similar rating from another recognised agency or – insofar as a new issue that does not yet have an official rating is concerned – a comparable internal UBS rating. Investments in bonds with a rating below BBB- or similar may not exceed 20% of the sub-funds' assets. After deducting cash and cash equivalents, the sub-fund may invest up to one third of its assets in money market instruments.</p>

Shareholders 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 Subfund qualifies as a financial product under Art. 8.(1) of SFDR.	This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR")
<b>Global exposure</b>	The global exposure of the Subfund will be calculated on the basis of the commitment approach.	Global risk calculation method: Commitment approach
<b>Accounting year end</b>	The accounting year of the Company ends on 31 October of each year.	31 May
<b>Central Administration</b>	Credit Suisse Fund Services (Luxembourg) S.A.	Northern Trust Global Services SE
<b>Depositary</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, Zurich	UBS Asset Management (Americas) LLC, New York
<b>Performance fee</b>	N.A.	N.A.
<b>Benchmark</b>	Bloomberg Intermediate Corporate	Bloomberg US Corporate Intermediate Index (TR)

### 3.3 Profile of typical investor

Merging Sub-Fund	Receiving Sub-Fund
<p><b>Investor Profile</b></p> <p>The Subfund is suitable for investors with low risk tolerance and a medium-term view who wish to invest in a broadly diversified portfolio of debt securities.</p>	<p><b>Profile of the typical investor</b></p> <p>The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of mainly investment grade corporate bonds denominated in USD and in a sub-fund promoting environmental and/or social characteristics. Investors should be prepared to accept the interest rate and credit risks inherent in this type of asset.</p>

### 3.4 Classes of shares and currency

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

Share Class of the Merging Sub-Fund and ISIN		Corresponding Share Class of the Receiving Sub-Fund and ISIN	
EBH CHF	LU1561149524	I-A1-acc	LU2542764720
EBH EUR	LU1561149441	I-A1-acc	LU2542764720
EB USD	LU1561149284	I-A1-acc	LU2542764720
EA USD	LU1561148807	I-A1-acc	LU2542764720
DB USD	LU1561148716	I-B-acc	LU2545180692
B USD	LU1561148120	P-acc (to be launched)	LU2816772920
A USD	LU1785831311	P-acc (to be launched)	LU2816772920
UB USD	LU1561153476	Q-acc (to be launched)	LU2816773068
UA USD	LU1561152825	Q-acc (to be launched)	LU2816773068

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

The synthetic risk indicator for all the classes of shares in each of the Merging Sub-Fund and the Receiving Sub-Fund is 3.

### 3.6 Distribution policy

Share Class of the Merging Sub-Fund	Distribution policy	Corresponding Share Class of the Receiving Sub-Fund	Distribution policy
EBH CHF	Accumulating	I-A1-acc	Accumulating
EBH EUR	Accumulating	I-A1-acc	Accumulating
EB USD	Accumulating	I-A1-acc	Accumulating
EA USD	Distributing	I-A1-acc	Accumulating
DB USD	Accumulating	I-B-acc	Accumulating
B USD	Accumulating	P-acc (to be launched)	Accumulating
A USD	Distributing	P-acc (to be launched)	Accumulating
UB USD	Accumulating	Q-acc (to be launched)	Accumulating
UA USD	Distributing	Q-acc (to be launched)	Accumulating

### 3.7 Fees and expenses

Share Class Fees of the Merging Sub-Fund				Share Class Fees of the Receiving Sub-Fund			
	Entry costs	Ongoing costs	Performance fees		Entry costs	Ongoing costs*	Performance fees
EBH CHF	3%	0.49%	na	I-A1-acc	3%	0.44%	na
EBH EUR	3%	0.49%	na	I-A1-acc	3%	0.44%	na
EB USD	3%	0.41%	na	I-A1-acc	3%	0.44%	na
EA USD	3%	0.42%	na	I-A1-acc	3%	0.44%	na
DB USD	na	0.22%	na	I-B-acc	3%	0.06%	na
B USD	3%	0.90%	na	P-acc (*)	3%	1.16%	na
A USD	5%	0.90%	na	P-acc (*)	3%	1.16%	na
UB USD	5%	0.70%	na	Q-acc (*)	3%	0.68%	na
UA USD	5%	0.70%	na	Q-acc (*)	3%	0.68%	na

\* Ongoing costs for newly launched share classes are based on good faith estimates and may differ after the classes are launched.

### 3.8 ISIN Codes

Please note that the ISIN Codes of the shares 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 share exchange ratio, the rules laid down in the Articles of Association 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 Shareholders in relation to the merger**

Shareholders of the Merging Sub-Fund holding shares in the Merging Sub-Fund on the Effective Date will automatically be issued, in exchange for their shares in the Merging Sub-Fund, a number of shares of the corresponding share classes of the Receiving Sub-Fund equivalent to the number of shares held in the relevant share class of the Merging Sub-Fund multiplied by the relevant share exchange ratio which shall be calculated for each class of shares on the basis of its respective net asset value as of 23 July 2024. In case the application of the share exchange ratio does not lead to the issuance of full shares, the Shareholders of the Merging Sub-Fund will receive fractions of shares 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.

Shareholders of the Merging Sub-Fund will acquire rights as Shareholders 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.

Shareholders of the Merging Sub-Fund not agreeing with the Merger are given the possibility to request the redemption of their shares 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 shareholder vote required

No shareholder vote is required in order to carry out the Merger. Shareholders of the Merging Sub-Fund not agreeing with the Merger may request the redemption of their shares as stated under section 5 (*Rights of Shareholders in relation to the Merger*) above until the 17 July 2024, 3 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 (i) subscriptions for and conversions of shares of the Merging Sub-Fund will no longer be accepted or processed from 17 June 2024 to 24 July 2024, and (ii) that redemption of shares of the Merging Sub-Fund will no longer be accepted or processed from 18 July 2024 to 24 July 2024.

##### 6.3 Confirmation of merger

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

#### 6.4 Authorisation by competent authorities

The Merger has been authorised by the CSSF which is the competent authority supervising the Merging UCITS in Luxembourg.

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

UBS Asset Management Switzerland AG will bear the legal, advisory or administrative costs and expenses (excluding potential transaction costs on the merged portfolio) 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" of 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 Shareholders. Shareholders should consult their professional advisers about the consequences of this Merger on their individual tax position.

### 9. **Additional information**

#### 9.1 Merger reports

PricewaterhouseCoopers, *Société cooperative*, 2, rue Gerhard Mercator, L-2182 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 share exchange ratio;
- b) the calculation method for determining the share exchange ratio; and
- c) the final share 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 Shareholders of the Merging Sub-Fund and the CSSF.

#### 9.2 Processing of investor personal data

Investor personal data (as defined in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR")) are being processed by the Receiving UCITS and UBS Fund Management (Luxembourg) S.A., including their delegates,



in accordance with their data protection notice (see <https://www.ubs.com/global/en/legal/privacy/luxembourg.html>)

### 9.3 Additional documents available

The following documents are available to the Shareholders of the Merging Sub-Fund at the registered office of the Merging UCITS on request and free of charge as from 17 June 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 share 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 Articles of Association;
- c) the prospectus of the Receiving UCITS; and
- d) the KID of the Merging Sub-Fund and the Receiving Sub-Fund. The Board of Directors draws the attention of the Shareholders 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