

UBS Asset Management (Europe) S.A.

Société anonyme

Registered office: **33A, avenue J.F. Kennedy, L-1855, Grand Duchy of Luxembourg**

R.C.S. Luxembourg B 154 210

(the "**Management Company**")

acting in its capacity as management company of

CS Investment Funds 14

Fonds commun de placement

R.C.S. Luxembourg K 673

(the "**Merging UCITS**")

Notice to Unitholders:

Credit Suisse (Lux) Swiss Franc Bond Fund

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

IMPORTANT:

THIS LETTER REQUIRES YOUR IMMEDIATE ATTENTION.

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

YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.

4 November 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) Bond Fund – CHF Flexible (the "**Receiving Sub-Fund**"), a sub-fund of UBS (Lux) Bond 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 230 (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 11 December 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

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. Following a detailed review of the combined fund offering of each asset management division at UBS and Credit Suisse, the Merging 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 sub-funds 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. 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 and/or conversions of units of the Merging Sub-Fund will be suspended from 4 November 2024 to 11 December 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 units of the Merging Sub-Fund will be suspended from 4 December 2024 to 11 December 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 The Merger has been authorised by the *Commission de Surveillance du Secteur Financier* (the "CSSF").
- 2.8 Other procedural aspects of the Merger are set out in section 6 (*Procedural aspects*) below.
- 2.9 The timetable below summarises the key steps of the Merger (*).

Notice Period	From 4 November 2024 to 4 December 2024
Suspension Period of subscription and conversion of units of the Merging Sub-Fund	From 4 November 2024 to 11 December 2024 (last cut-off for Subscriptions: 4 November 2024, 3 p.m.)

Suspension Period of redemption of units of the Merging Sub-Fund	From 4 December 2024 to 11 December 2024 (last cut-off for Redemptions: 4 December 2024, 3 p.m.)
Final NAV Date	10 December 2024
Effective Date	11 December 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-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 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 and of the Receiving Sub-Fund, UBS Asset Management Switzerland AG, 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 4 November 2024 to 11 December 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.

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>The objective of the Subfund is primarily to achieve a high regular income while preserving the value of the assets.</p> <p>At least two-thirds of the Subfund's total assets shall be invested in debt instruments, bonds, notes, similar fixed-interest or floating-rate securities (including securities issued on a discount basis) of public, private and semi-private issuers, denominated in the respective Reference Currency of the Subfund.</p> <p>Up to one-third of the total assets of the Subfund may be invested in currencies other than the Reference Currency.</p> <p>A maximum of 5% of the Subfund's total assets may be invested in contingent convertible instruments.</p> <p>This Subfund aims to outperform the return of the SBI Foreign AAA-BBB (TR) benchmark. The Subfund is actively managed.</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. The Subfund may also invest up to 20% of its total net assets (including the bank deposits at sight referred to above) in cash, time deposits, liquidity funds, money market funds and money market instruments. 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 actively managed sub-fund uses the benchmark SBI® Foreign AAA-BBB (TR) Index as a reference for portfolio construction and performance evaluation. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used.</p> <p>Within the scope of the general investment policy, the sub-fund invests at least two-thirds of its assets in debt securities and claims denominated in CHF that are issued by international or supranational organisations, public-sector, semi-public or private borrowers.</p> <p>Furthermore, the sub-fund may invest up to one-third of its assets in debt securities and claims denominated in a currency other than the one which features in its name.</p> <p>After deducting cash and cash equivalents, the sub-fund may invest up to one third of its assets in money market instruments. Up to 25% of its assets may be invested in convertible, exchangeable and warrant-linked bonds as well as convertible debentures. The sub-fund may also invest up to 10% of its net assets in contingent convertible bonds (CoCos).</p> <p>In addition, after deducting cash and cash equivalents, the sub-fund may invest up to 10% of its assets in equities, equity rights and warrants as well as shares, other equity shares and dividend-right certificates acquired through the exercise of conversion rights, subscription rights or options, in addition to warrants remaining after the separate sale of ex-warrant bonds and any equities acquired with these warrants.</p> <p>The equities acquired by exercise of rights or through subscription must be sold no later than 12 months after they were acquired.</p> <p>The sub-fund may invest a total of up to 20% of its net assets in ABS, MBS, CMBS and CDOs/CLOs. The associated risks are specified in the section "Risks connected with the use of ABS/MBS" or "Risks connected with the use of CDOs/CLOs".</p> <p>The sub-fund may invest no more than 20% of its net assets in fixed-income instruments denominated in RMB and traded on the China Interbank Bond Market ("CIBM") or through Bond Connect. These instruments may include securities issued by governments, quasi-public corporations, banks, corporations and other institutions in the People's Republic of China ("PRC" or "China") that are authorised to be traded directly on the CIBM or through Bond Connect. The associated risks are described in the sections "Risk information on investments traded on the China Interbank Bond Market" and "Risk information on investments traded on the CIBM via the Northbound Trading Link through Bond Connect".</p> <p>Furthermore, the sub-fund may invest up to one third of its assets in emerging market bonds. Emerging markets are countries which are in a transitional phase towards becoming modern industrial nations. They are typically characterised by low or medium average income and their growth rates are generally high.</p> <p>Furthermore, the sub-fund may invest up to one-third of its assets in debt securities and claims with lower ratings. Investments with lower ratings may carry an above-average yield, but also a higher credit risk than investments in securities of first-class issuers.</p> <p>As part of efficient asset management, the sub-fund may invest in all the derivative financial instruments listed in the section "Special techniques and instruments with securities and money</p>

	<p>market instruments as underlying assets" subject to the provisions and guidelines set forth therein. Permitted underlyings include, in particular, the instruments specified under Point 1.1(g) ("Permitted investments of the Fund").</p> <p>The use of derivatives plays a key role in achieving the investment objectives of the sub-fund. To implement the investment strategy, it is assumed that the Portfolio Manager will acquire derivatives in order to invest in legally permissible assets included in the investment policy, without directly acquiring the underlying instruments. Derivatives are used in order to build up and hedge the portfolio's market exposure. Investors should also note the risks described in the section "Use of financial derivative transactions", which are of particular significance in this case due to the high leverage. The sub-fund may use interest rate derivatives such as interest rate futures, bond futures, interest rate swaps, options on interest rate futures, options on bond futures and swaptions to build up net short or net long positions in relation to individual interest rate curves, provided that a net long duration is maintained at overall Fund level. The sub-fund may use credit derivatives such as credit-linked securities, credit default swaps on different types of underlying assets (specific issuers, credit indices, ABS indices or other bond indices) to build up net short or net long exposures in individual market segments (region, sector, rating), currencies or specific issuers, provided that a net long duration is maintained at overall Fund level. The sub-fund may use total return swaps on bond indices to build up short or long exposures to a specific bond market. Furthermore, the sub-fund shall invest in to-be-announced trades (TBAs), i.e. forward-settling mortgage-backed securities (MBS). These are highly liquid contracts used to purchase or sell US government MBS at a specified time in the future. MBS are usually traded in the United States as TBAs. The main aspect of a TBA trade is that the actual security that will be delivered to the buyer is not specified at the time the trade is made, which helps ensure a liquid futures market. Within the limits defined above, the Portfolio Manager of the sub-fund may adopt an opportunistic approach and take active positions on currencies in order to generate additional value for the portfolio. The currency strategy includes building positions in national currencies. The following options are available for participating in the performance of national currencies: direct participation by purchasing securities denominated in national currencies, indirect participation by means of derivatives or a combination of both these methods. The sub-fund may use currency derivatives such as currency forwards, non-deliverable forwards (NDF), currency swaps and currency options to increase or reduce exposure in different currencies, with the option of entering into net short or net long overall positions in individual currencies.</p>
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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
Classification under Regulation (EU) 2019/2088 ("SFDR") disclosure	The Subfunds qualify as financial products under Art. 8 (1) of SFDR.	This sub-fund complies with Article 6 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does not consider principal adverse impacts on sustainability factors due to its

		investment strategy and the nature of the underlying investments (Art. 7(2) SFDR).
Global exposure	The global exposure of the Subfund will be calculated on the basis of the commitment approach.	Global risk calculation method: Absolute VaR approach
Accounting year end	The accounting year of the Fund ends on 31 March of each year.	The Fund's financial year ends on the last day of March.
Central Administration	Credit Suisse Fund Services (Luxembourg) S.A.	Northern Trust Global Services SE
Depository	Credit Suisse (Luxembourg) S.A.	UBS Europe SE, Luxembourg Branch
Management Company	UBS Asset Management (Europe) S.A.	UBS Asset Management (Europe) S.A.
Portfolio Manager	UBS Asset Management Switzerland AG	UBS Asset Management Switzerland AG
Performance fee	N.A.	N.A.

3.3 Profile of typical investor

Merging Sub-Fund	Receiving Sub-Fund
Investor Profile This Subfund is suitable for investors with medium risk appetite and a short-term view who wish to invest in a broadly diversified portfolio of debt securities.	Profile of the typical investor The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of debt securities and claims, mainly denominated in CHF and issued by international and supranational organisations or private, semi-public or public borrowers.

3.4 Classes of units and currency

I. The reference currency of the Merging Sub-Fund and the Receiving Sub-Fund is the CHF.

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	
A USD	LU0049528473	P-dist	LU0010001286
B USD	LU0049527079	P-acc	LU0010001369
EB USD	LU0535912561	I-A1-acc	LU0415164028
UA USD	LU1144401087	Q-dist	LU0415163640
UB USD	LU1144401160	Q-acc	LU0415163723

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 2.

3.6 Distribution policy

Unit Class of the Merging Sub-Fund	Distribution policy	Corresponding Unit Class of the Receiving Sub-Fund	Distribution policy
A USD	Distributing	P-dist	Distributing
B USD	Accumulating	P-acc	Accumulating
EB USD	Accumulating	I-A1-acc	Accumulating
UA USD	Distributing	Q-dist	Distributing
UB USD	Accumulating	Q-acc	Accumulating

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
A USD	5%	1,02%	1.1	na	P-dist	3%	0.88%

B USD	5%	1,02%	na	P-acc	3%	0.88%	na
EB USD	3%	0.38%	na	I-A1-acc	3%	0.42%	na
UA USD	5%	0.72%	na	Q-dist	3%	0.54%	na
UB USD	5%	0.72%	na	Q-acc	3%	0.53%	na

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 10 December. 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 4 December 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 units of the Merging Sub-Fund will no longer be accepted or processed from 4 November 2024 to 11 December 2024, and (ii) that redemption of units of the Merging Sub-Fund will no longer be accepted or processed from 4 December 2024 to 11 December 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 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 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 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 Unitholders of the Merging Sub-Fund at the registered office of the Merging UCITS on request and free of charge as from 4 November 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); and
- d) the KID of the Merging Sub-Fund and the Receiving Sub-Fund (also available on 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