

LB Swiss
Investment
FONDSGESELLSCHAFT

Semi-annual report 2016
AMG Europe

Unaudited semi-annual report as of June 30, 2016

Investment fund under Swiss law

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Facts and figures

Organization

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 Holger Mai, President
 Hans Stamm, Vice President
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Management of the Fund Management Company
 Marcel Weiss
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Custodian Bank

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 CH-8001 Zurich
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Investment Manager of the Fund

AMG Fondsverwaltung AG
 Bahnhofstrasse 29
 CH-6300 Zug

Distribution channels

Investment Manager of the Fund

Auditors

PricewaterhouseCoopers AG
 Birchstrasse 160
 CH-8050 Zurich

Fund characteristics

The investment objective of AMG Europe is principally to attain an increase in value, by means of investments primarily in the European stock markets. The fund invests mainly in equity securities of companies that are domiciled in Europe or which exercise a predominant proportion of their economic activities in this market. The long term oriented stock selection forms the basis of the achievement of the investment objective.

Market setbacks are reduced as far as possible by hedging. The fund is denominated in EUR, a currency hedged CHF class is available.

Key figures

| | 30. 6. 2016 | 31. 12. 2015 | 31. 12. 2014 |
|---|-------------|--------------|--------------|
| Net Fund Assets in million EUR | 48.59 | 50.58 | 29.20 |
| Number of units (Class A) | 286 618 | 270 239 | 248 892 |
| Number of units (Class B) | 7 220 | 18 875 | 19 260 |
| Number of units (Class C) ¹ | 116 587 | 100 155 | – |
| Asset value per share in EUR (Class A) | 118.70 | 130.12 | 109.07 |
| Asset value per share in EUR (Class B) | 115.31 | 126.74 | 106.80 |
| Asset value per share in CHF (Class C) ¹ | 128.01 | 140.96 | – |
| Performance (Class A) | -8.78% | 20.64% | 8.73% |
| Performance (Class B) | -9.02% | 20.04% | 8.19% |
| Performance (Class C) ¹ | -9.19% | 3.15% | – |
| TER (Class A) | 1.34% | 1.35% | 1.41% |
| TER incl. Performance Fee (Class A) ² | – | – | 1.41% |
| TER (Class B) | 1.83% | 1.86% | 1.91% |
| TER incl. Performance Fee (Class B) ² | – | – | 1.91% |
| TER (Class C) ¹ | 1.35% | 1.38% | – |
| PTR | 0.18 | 1.31 | 3.62 |

¹ 14. 10. 2015 – 31. 12. 2015

² As from 1. 1. 2014 no performance fee will be payable according to the fund contract.

Past performance is no guarantee for future results. The performance data do not take on the issue and redemption of units and costs incurred. No benchmark comparison is available for this fund.

Report of the Investment Manager

Review

The first half of the year 2016 began on European stock-markets with an unexpectedly strong price slide on the first day of trading, triggered by worries about weaker economic growth in emerging markets, in particular China. Up until the middle of February, the sharp fall in oil prices and uncertainty about an interest rate increase in the USA were increasingly seen as heightened risks and correspondingly reflected by stock prices. Oil prices recovered from approx. USD 26 in February to USD 50 at the end of June and triggered a recovery rally on the markets. This was supported by further expansive monetary policy measures introduced by the European Central Bank. June was characterised by uncertainties linked to the outcome of the British referendum on remaining in the EU. Right up to the last day of campaigning, "BREXIT" versus "BREMAIN" was a head-to-head race, and markets posted further strong gains in the run-up to the referendum. The vote to leave triggered correspondingly sharp falls. In overall terms, European equity markets recorded heavy marked declines of -10% (STOXX600) during the first six months of the year 2016. Once again, the AMG Europe fund proved to be more robust than the overall market during phases of market setbacks (Fig. 1), while the fund trailed somewhat behind strong and rapid recovery phases.

During the first six months of 2016 the AMG Europe fund lost 8.8%, while the benchmark index STOXX600 eased by 9.8% over the same period. (Fig. 2)

Over the past six months the performance caused the fund volume to decline to EUR 48.5 million of assets under management as at the end of June 2016. By contrast the number of outstanding units rose to 410'425.

Portfolio

The AMG Europe fund portfolio pursues the strategy of investing in European value stocks. The principal selection criteria are inter alia a low P/B ratio and low P/E ratio, high cash flow generation, a solid balance sheet, major shareholders in for the long term, consistency as well as a simple business model.

In the case of **Henkel** we used the fall in the stock price linked to the unexpected departure of CEO Kasper Rosted as an opportunity to buy. The new CEO Van Bylen has worked for Henkel since 1984, and is planning to continue the core strategy of sustainable growth, including acquisitions. The new CEO is set to announce medium-term goals in November 2016. Van Bylen is an excellent manager and one of the driving forces behind the turnaround and success of the Henkel Beauty Care Division. He has detailed knowledge of the business, meaning that the transition from Rosted to van Bylen is likely to be smooth.

Following its acquisition of the Harding Group (sales approx. EUR 140 million) and the Norway-listed TTS Group (sales approx EUR 320 million), the Austrian crane manufacturer **Palfinger** is also set to become a leading operator in the marine crane sector with sales in excess of EUR 600 million. This has been its declared objective for several months. While margins of the two acquired companies are below Palfinger's sound EBIT margin of 12%, the implicit valuations are reasonable. The acquisitions are being financed primarily using hybrid capital.

The German freight wagon hire company, **VTG**, has a new major shareholder in the form of Kühne+Nagel majority shareholder Klaus-Michael Kühne. Following his acquisition of shares from Wilbur Ross, Kühne will have a stake of over 20% making

| Market Downtrend (> 5%) | AMG Europe | STOXX 600 | Out-/Under-performance |
|-------------------------|------------|-----------|------------------------|
| 22.05.2013 24.06.2013 | -8.6% | -11.2% | 2.6% |
| 22.01.2014 04.02.2014 | -4.7% | -5.5% | 0.8% |
| 25.02.2014 14.03.2014 | -0.5% | -4.8% | 4.2% |
| 24.07.2014 08.08.2014 | -5.2% | -5.6% | 0.4% |
| 19.09.2014 16.10.2014 | -8.0% | -11.0% | 3.1% |
| 05.12.2014 15.12.2014 | -4.2% | -7.9% | 3.7% |
| 27.04.2015 06.05.2015 | -2.7% | -5.8% | 3.1% |
| 27.05.2015 09.06.2015 | -4.0% | -6.1% | 2.2% |
| 05.08.2015 25.08.2015 | -2.7% | -6.5% | 3.9% |
| 29.12.2015 11.02.2016 | -12.9% | -17.9% | 5.0% |
| 31.05.2016 28.06.2016 | -8.1% | -11.1% | 3.0% |

Fig. 1: Performance during setback phases

(Source: AMG, Bloomberg)

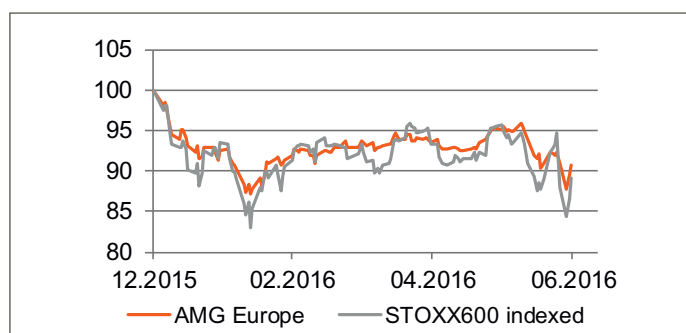


Fig. 2: Performance 1st half of 2016

(Source: AMG, Bloomberg)

Report of the Investment Manager

him the second-largest shareholder after Andreas Goer, who holds 29%. In operating terms, the rail logistics specialist remains on track for growth. For the current year the SDAX Group is aiming for sales of between EUR 1.03-1.07 billion, with an EBITDA of some EUR 345 – 355 million. The backing of the new major shareholder means the targeted growth path can continue to be pursued.

Because its quarterly figures came in significantly above market expectations, the copper product manufacturer **Aurubis** published its pre-tax result ahead of schedule on 31 March 2016. The main reason for the very good performance is likely to be strong revenues from gold and silver.

These helped offset slightly weaker, yet still healthy refining charges (TC/RCS). Demand for copper products was also sound. The company confirmed the outlook for the year as a whole.

Outlook

Following the Brexit referendum on 23 June 2016, which saw the UK electorate vote to leave the EU, European stockmarkets were hit hard. The peripheral Spanish and Italian stockmarkets suffered double-digit falls on the day after the referendum. What does Brexit mean for the economy? The British economy accounts for only approx. 3% of the global economy. It can therefore be expected that Great Britain is likely to be hit hardest by its departure. The economic impact on Europe is likely to be less marked, while the burden on the euro relative to other currencies will tend to have a supporting effect. The political impact in Europe will be felt, however, not least because Great Britain's exit will tie up the European Union's political energies to such an extent that other urgent projects will need to be shelved.

The Brexit decision will encourage those within the EU who want to strengthen the currency union, which would affect in particular the non-euro countries such as Sweden and Denmark or Poland, thus heightening uncertainty within the EU.

Within Great Britain, uncertainties are likely to have a significant negative impact on investments, at least until the negotiations have been completed. After formally announcing its decision to leave the EU, Great Britain will have up to 24 months to restructure its trading relations with the EU. A quick settlement is crucial in particular for the British ex-

port sector, as exports account for 20% of the economy, and 44% of these go to the EU region. On the other hand, the fall in the value of the British pound should offset at least part of the decline in exports.

Great Britain now faces a number of options when it comes to structuring its trade relations with the EU: Great Britain could join the European Economic Area (EEA), like e.g. Norway, or could choose the bilateral route in the manner of Switzerland. Alternatively, a customs union such as that with Turkey might be a possibility. A minimal trade solution with the EU would entail accepting the rules of the World Trade Organisation (WTO). In addition, Great Britain also needs to sign new trade agreements with all 53 states with which the EU has a free trade agreement. At the very least, there will be tough negotiations throughout a period of up to two years, once the formal request to leave has been submitted.

In addition to the ongoing Brexit negotiations, fundamental data will again be a focus of attention in the 2nd half, along with the performance of the US economy as the basis for the US Fed's much-discussed interest rate move, as well as growth in China. The focus is also shifting back to further unsolved challenges, such as government debt in Greece, where creditors still need to consider debt restructuring despite the latest bailout, as well as political topics such as the formation of a government in Spain.

Markets are set to remain jittery. At the start of the second half, we are positioning ourselves correspondingly cautiously in the AMG Europe fund, and are hedging some of our exposure.

To all our investors, we extend our warmest thanks for the trust you have shown in us.

AMG Fondsverwaltung AG

Statement of Assets

| | 30. 6. 2016 EUR | 31. 12. 2015 EUR | |
|---|--------------------|---------------------|---------------------------------|
| Bank Balances | 377 436 | 1 544 005 | |
| Debtors | 42 188 | 37 743 | |
| Securities | | | |
| Equities | 48 227 560 | 48 923 918 | |
| Derivatives | -46 639 | 96 549 | |
| Total Fund Assets | 48 600 545 | 50 602 215 | |
| Equities empty sold | - | - | |
| Liabilities | -14 338 | -17 901 | |
| Net Fund Assets | 48 586 207 | 50 584 314 | |
| Outstanding units | units | units | |
| Number of units outstanding at the beginning of the reporting period (Class A) | 270 239 | 248 892 | |
| New Issued Units | 46 218 | 76 962 | |
| Redeemed Units | -29 839 | -55 615 | |
| Number of units outstanding at the end of the reporting period | 286 618 | 270 239 | |
| Number of units outstanding at the beginning of the reporting period (Class B) | 18 875 | 19 260 | |
| New Issued Units | 840 | 1 965 | |
| Redeemed Units | -12 495 | -2 350 | |
| Number of units outstanding at the end of the reporting period | 7 220 | 18 875 | |
| Number of units outstanding at the beginning of the reporting period (Class A) ¹ | 100 155 | | |
| New Issued Units | 24 682 | | |
| Redeemed Units | -8 250 | | |
| Number of units outstanding at the end of the reporting period | 116 587 | | |
| Net asset value per unit | Class A EUR | Class B EUR | Class C CHF hedged ¹ |
| 30. 6. 2016 | 118.70 | 115.31 | 128.01 |
| Change in net assets | | | EUR |
| Net fund assets at the beginning of the reporting period | | | 50 584 314 |
| Distribution | | | - |
| Balance from unit trade | | | 2 551 543 |
| Total result of the financial year | | | -4 549 650 |
| Net fund assets at the end of the reporting period | | | 48 586 207 |

¹ Class C: 14. 10. 2015 – 31. 12. 2015

Statement of Income

| | 1.1. - 30.6.2016 EUR | 1.1. - 31.12.2015 EUR |
|--|-------------------------|--------------------------|
| Income bank deposits | - | 40 |
| Income on shares (dividends) | 583 357 | 566 317 |
| Equalisation income on subscriptions | -11 019 | -17 380 |
| Total income | 572 338 | 548 977 |
| less: | | |
| Bank charges and debit interest | 27 | 552 |
| Expense from securities lending and borrowing | - | 2 944 |
| Dividends paid on shares sold short | - | 20 320 |
| Auditor fees | 4 910 | 7 011 |
| Management fees (A: 1.18% / B: 1.67% ¹ / C: 1.19%) | 301 817 | 477 713 |
| Custodian fees (0.10%) | 24 823 | 39 473 |
| Other expenses | 11 105 | 23 442 |
| Partial transfer of expenses to realized capital gains and losses ² | - | -8 558 |
| Equalisation income on redemptions | 3 841 | 8 523 |
| Total expenses | 346 523 | 571 420 |
| Net income | 225 815 | -22 444 |
| Realized capital gains and losses | 429 101 | 2 242 371 |
| Partial transfer of expenses to realized capital gains and losses ² | - | -8 558 |
| Total realized capital gains and losses | 429 101 | 2 233 813 |
| Net realized gain | 654 916 | 2 211 369 |
| Unrealized capital gains and losses | -5 204 566 | 3 946 442 |
| Total result | -4 549 650 | 6 157 811 |

Transaction costs

The investment fund bears all incidental costs for the purchase and sale of investments. In the reporting period the transaction costs amounted to EUR 40 546

¹ Sales commission class B EUR 6 147

² According to circular no. 24 of the ESTV from 1.1.2009

Statement of investments

| Description | Currency | Balance at (in 1000 resp. piece) 30.6.2016 | Purchases | Sales | Price at 30.6.2016 | Valuation EUR | as % of total assets |
|--|----------|--|-----------|--------|-----------------------|-------------------|-------------------------|
| Securities | | | | | | | |
| Equities (traded on a other regulated market) | | | | | | 48 227 560 | 99.23 |
| BKW AG NA | CHF | 32 432 | | 4 500 | 43.300 | 1 292 266 | 2.66 |
| Burkhalter NA | CHF | 8 980 | 8 980 | | 119.900 | 990 800 | 2.04 |
| Cassiopea | CHF | 26 805 | | | 33.900 | 836 192 | 1.72 |
| COSMO Pharmaceuticals NA | CHF | 16 500 | 16 500 | | 159.200 | 2 417 226 | 4.97 |
| Komax NA | CHF | 5 500 | | | 201.300 | 1 018 818 | 2.10 |
| LifeWatch NA | CHF | 132 765 | 37 000 | 12 000 | 12.250 | 1 496 615 | 3.08 |
| Swiss Life NA | CHF | 4 000 | | | 223.900 | 824 147 | 1.70 |
| AT & S Austria Technologie | EUR | 60 000 | | | 10.790 | 647 400 | 1.33 |
| Aurubis AG | EUR | 37 750 | 8 000 | | 40.830 | 1 541 333 | 3.17 |
| BASF | EUR | 15 000 | | | 68.640 | 1 029 600 | 2.12 |
| BayWa vink. NA | EUR | 34 000 | | | 26.955 | 916 470 | 1.89 |
| Do | EUR | 23 365 | 12 750 | 1 781 | 78.900 | 1 843 498 | 3.79 |
| Ferratum | EUR | 50 000 | 10 000 | | 18.400 | 920 000 | 1.89 |
| freenet | EUR | 45 000 | | | 23.075 | 1 038 375 | 2.14 |
| Fresenius SE | EUR | 31 700 | | | 65.820 | 2 086 494 | 4.29 |
| Henkel -Stimmrechtslos- | EUR | 12 600 | 1 600 | | 109.550 | 1 380 330 | 2.84 |
| Hornbach Holding | EUR | 8 500 | | | 61.000 | 518 500 | 1.07 |
| Hornbach-Baumarkt | EUR | 41 029 | 8 000 | | 24.300 | 997 005 | 2.05 |
| Jenoptik | EUR | 190 500 | 27 000 | 8 500 | 14.795 | 2 818 448 | 5.80 |
| Jungheinrich Vz | EUR | 71 950 | 81 450 | 36 650 | 27.015 | 1 943 729 | 4.00 |
| KSB VZ | EUR | 5 800 | 1 000 | | 310.000 | 1 798 000 | 3.70 |
| KWS Saat AG | EUR | 4 484 | 246 | 312 | 297.800 | 1 335 335 | 2.75 |
| Mayr-Melnhof Karton | EUR | 24 257 | 2 505 | | 97.880 | 2 374 275 | 4.89 |
| Muenchener Rueckvers. NA | EUR | 4 000 | | 4 000 | 150.250 | 601 000 | 1.24 |
| Palfinger | EUR | 60 506 | 1 221 | | 25.895 | 1 566 803 | 3.22 |
| Paul Hartmann NA | EUR | 4 050 | | | 418.750 | 1 695 938 | 3.49 |
| RIB Software | EUR | 122 478 | | | 8.721 | 1 068 131 | 2.20 |
| Rosenbauer | EUR | 44 538 | 15 500 | | 52.800 | 2 351 606 | 4.84 |
| SAP | EUR | 21 700 | | | 67.160 | 1 457 372 | 3.00 |
| Semperit AG Holding | EUR | 37 315 | 3 000 | | 29.790 | 1 111 614 | 2.29 |
| SURTECO | EUR | 35 864 | 35 864 | | 20.500 | 735 212 | 1.51 |
| Vilmorin | EUR | 7 128 | | 1 000 | 58.240 | 415 135 | 0.85 |
| Viscofan | EUR | 21 500 | | | 49.630 | 1 067 045 | 2.20 |
| VTG | EUR | 119 475 | 15 675 | 1 800 | 26.000 | 3 106 350 | 6.39 |
| Wirecard AG | EUR | 25 000 | 25 000 | | 39.460 | 986 500 | 2.03 |
| Total securities | | | | | | 48 227 560 | 99.23 |
| Total derivatives (as per separate list) | | | | | | -46 639 | 0.85 |
| Cash and other assets | | | | | | 419 624 | 0.86 |
| Total fund assets | | | | | | 48 600 545 | 100.95 |
| Liabilities | | | | | | -14 338 | -0.03 |
| Total net assets | | | | | | 48 586 207 | |
| Exchange rates | | | | | | | |
| CHF 1.0867 = EUR 1.0000 | | | | | | | |

Divergences in the totals may be attributed to rounding differences.

Statement of investments

Breakdown

| Equities by country (net) | Valuation in EUR | as % of total assets |
|---------------------------|-------------------|----------------------|
| Germany | 27 054 120 | 55.67 |
| Finland | 920 000 | 1.89 |
| France | 415 135 | 0.85 |
| Italy | 836 192 | 1.72 |
| Luxembourg | 2 417 226 | 4.97 |
| Austria | 9 895 197 | 20.36 |
| Switzerland | 5 622 645 | 11.57 |
| Spain | 1 067 045 | 2.20 |
| Total | 48 227 560 | 99.23 |

Fair value hierarchy

The following table shows the fair value hierarchy of the investments. Fair value is the price, that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

| Investment type | Total amount | Valuation | | |
|---------------------|--------------|---|---|--|
| | | Valuated at prices quoted on an active market | Valuation based on observable market parameters | Valuation method not based on market data (valuation models) |
| Equities (long) | 48 227 580 | 48 227 580 | - | - |
| Equities (short) | - | - | - | - |
| Bonds | - | - | - | - |
| Derivatives (long) | - | - | - | - |
| Derivatives (short) | -46 639 | - | -46 639 | - |

Divergences in the totals may be attributed to rounding differences.

Transactions during the reporting period

(If they no longer appear in the statement of net assets)

| Currency | Description | Purchases | Sales |
|--------------------|---|-----------|--------|
| Securities | | | |
| Equities | | | |
| CHF | COSMO Pharmaceuticals NA | | 16 500 |
| EUR | Fuchs Petrolub VZ | | 20 500 |
| EUR | Lenzing | | 19 928 |
| Derivatives | | | |
| Contracts: | | | |
| EUR | ESTXBank EUREX / FESB on Index 20.06.2016 | 250 | 250 |
| EUR | ESTXBank EUREX / F FESB on Index 21.03.2016 | 1 000 | 1 000 |
| EUR | FUTURE DAX 21.03.2016 | 80 | 80 |
| EUR | Future DAX on Index 19.09.2016 | 25 | 25 |

Incl. merger, split, reorganisation, redemption etc. Bonds in thousand.

Derivatives using the commitment approach II

Market risk

| | in amount in EUR | as % of net assets |
|-------|------------------|--------------------|
| gross | 5 317 675 | 10.94 |
| net | - | 0.00 |

Credit risk

The fund does not hold any derivative financial assets that are subject to credit risk.

Currency risk

| | in amount in EUR | as % of net assets |
|-------|------------------|--------------------|
| gross | 3 682 746 | 7.58 |
| net | - | 0.00 |

Forward exchange contracts

| Currency | Expiry | Amount of foreign currency | Equivalent value purchase EUR | Value at 30.6.2016 EUR | Income EUR |
|---|-----------|----------------------------|-------------------------------|------------------------|----------------|
| CHF/EUR | 25.7.2016 | -4 000 000 | 3 663 111 | -3 682 746 | -19 635 |
| Result on forward exchange contracts | | | | | -19 635 |

Futures

| Number | Title |
|--------|------------------------|
| -22 | DAX Futures 19.09.2016 |

The derivatives stated hereafter refer to class AMG Europe CHF hedged and serve for the hedging of the currency risk.

Currency risk

| | in amount in CHF | as % of net assets Class CHF hedged |
|-------|------------------|-------------------------------------|
| gross | 14 440 624 | 96.76 |
| net | - | 0.00 |

Forward exchange contracts (Safeguarding Class CHF hedged)

| Currency | Expiry | Amount of foreign currency | Equivalent value purchase CHF | Value at 30.6.2016 CHF | Income CHF | Income EUR |
|---|-----------|----------------------------|-------------------------------|------------------------|------------|----------------|
| EUR/CHF | 14.7.2016 | -13 290 927 | 14 407 803 | -14 438 886 | -31 083 | -28 603 |
| Result on forward exchange contracts | | | | | | -28 603 |

Forward exchange contracts (Safeguarding Class CHF hedged; closed)

| Currency | Expiry | Amount of foreign currency | Equivalent value purchase CHF | Value at 30.6.2016 CHF | Income CHF | Income EUR |
|---|-----------|----------------------------|-------------------------------|------------------------|--------------|--------------|
| EUR/CHF | 25.7.2016 | -110 000 | 121 470 | -119 732 | 1 738 | 1 599 |
| Result on forward exchange contracts | | | | | 1 738 | 1 599 |

Supplementary information to the annual report as of June 30, 2016

1. Fund Performance

No benchmark comparison is available for this fund. Past performance is no indicator for current or future results. Performance figures do not take into account any commissions charged on issue or redemption of units.

2. Soft commission agreements

For the period from January 1 to June 30, 2016 no "soft commission agreements" in the name of LB(Swiss) Investment AG were applied and no soft commissions were received.

3. Principles for the valuation and the calculation of the net asset value

The valuation is effected as per §16 of the fund contract

§ 16 Calculation of the Net Asset Value

1. The net asset value of the investment fund and the share of assets attributable to the individual classes [prorated shares] are calculated in CHF at their market value as of the end of the financial year and for each day on which units are issued or redeemed. The fund assets will not be calculated on days when the stock exchanges / markets in the investment fund's main investment countries are closed (e.g., bank and stock exchange holidays).

2. Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained upon a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognized valuation models and principles to determine the market value.

3. Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company may value such funds in accordance with sec. 2.

4. The value of money market instruments that are not traded on a stock exchange or another regu-

lated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the redemption price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).

5. Bank credit balances are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions, the valuation principles for time deposits will be adjusted in line with the new circumstances.

6. The net asset value of units of a given class is determined by the proportion of the fund's assets as valued at the market value attributable to the given unit class, minus any of the investment fund's liabilities that are attributed to the given unit class, divided by the number of units of the given class in circulation. It will be rounded to one centime.

7. The percentages of the market value of the Fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the Fund for each unit class. The percentage is recalculated when one of the following events occurs:

- a) when units are issued and redeemed;
- b) on the relevant date for distributions, provided that (i) such distributions are only made for individual unit classes (distribution classes); (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values; or (iii) different commission or expenses are charged on the distributions of the various unit classes when expressed as a percentage of the distribution;
- c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued expenses and commissions) to the var-

Supplementary information to the annual report as of June 30, 2016

- ious unit classes, provided that the liabilities of the various unit classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various unit classes or (ii) class-specific expenses are charged;
- d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or several unit classes but disproportionately to their share of the net fund assets.

Additional information for the distribution of Shares in Germany

The following information is directed at potential buyers in the Federal Republic of Germany, in that it more precisely lays out and expands the prospectus with regard to sales in the Federal Republic of Germany:

Information Office

The information office in the Federal Republic of Germany is the
BHF-BANK Aktiengesellschaft
Bockenheimer Landstraße 10
D-60323 Frankfurt am Main

Redemption and Exchange Orders, Payments

Investors in Germany can submit their redemption and exchange orders at their institution maintaining the custody account in Germany. This institution will forward the orders to be handled at the custodian bank of the fund or request the redemption in its own name to be credited to the account of the investor.

Fund distributions, redemption revenues and other payments to the investor in Germany also go through the institution maintaining the custody account in Germany. It will credit the payments to the account of the investor.

Information

Copies of the sales prospectus, key investor information document (KIID), fund contract, annual and semi-annual report, issuing and redemption prices (as well as possible exchange prices) are available at not charge from the information office.

Price Publications and Other Notifications

The issuing and redemption prices as well as all other legally required notifications to the investor are published in the Internet at www.swissfunddata.ch.

In the following cases, the information for the investors in Germany is required using a durable medium under §167 KAGB in German or in a language customarily used in the sphere of international finance (§ 298 paragraph 2 KAGB):

- Suspension of the redemption of investment fund units.
- Termination of the administration of the investment fund or its handling.
- Changes or amendments of the contract terms and conditions, which cannot be reconciled with the previous investment principles, affect important investor rights or concern fees and reim-

bursements, which can be taken from the special investment assets, including background information about the changes or amendments as well as the investor rights in a clear and understandable way; when doing so, notification must also be provided on how and where this information can be obtained.

- The merger of investment funds in the form of merger information, which must be prepared in accordance with article 43 of the guideline 2009/65/EG.
- The conversion of an investment fund into a feeder fund or changes of a master fund in the form of information, which must be prepared in accordance with article 64 of the guideline 2009/65/EG.
- Amendments to the Fund Contract any change of fund management company and/or custodian bank; and the liquidation of the Investment Fund will be published by the fund management company in the publication media as stated in cipher 5.4 of this prospectus and in the Federal Republic of Germany in the electronic Federal Gazette. This also applies for further important information, related to the issue and redemption of units (such as the suspension of redemption of units).