Ethos

Contractual umbrella fund under Swiss law of the type "Other traditional securities funds", aimed at qualified investors within the meaning of Art. 10, paras. 3 and 4 CISA

The fund contract

MARCH 2014

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Fund Contract

I Legal basis

§ 1. Name of the fund: name and registered office of the fund management company and the custodian bank

1. A contractual umbrella fund of the type 'Other traditional securities funds' has been established under the name of ETHOS (referred to below as "the fund") in accordance with Art. 25 et seq. in conjunction with Art. 68 and Art. 92 et seq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA). The fund currently comprises the following subfunds:

   - Ethos – Equities CH indexed, Corporate Governance
   - Ethos – Equities Europe ex CH
   - Ethos – Equities Europe ex CH indexed, Corporate Governance
   - Ethos – Equities North America (RPF)
   - Ethos – Equities North America

   Ethos – Equities Pacific
   - Ethos – Equities World ex CH (RPF)
   - Ethos – Bonds CHF
   - Ethos – Bonds International

2. The fund management company is Pictet Funds SA, 1211 Geneva 73.

3. The custodian bank is Banque Pictet & Cie SA, 1211 Geneva 73.

4. This fund is aimed at qualified investors within the meaning of Art. 10, paras. 3 and 4 CISA. Pursuant to Art. 10, para. 5 CISA, and at the request of the fund management company and the custodian bank, the supervisory authority has ruled non-applicable the provisions of the CISA regarding the duty to draw up a prospectus and a simplified prospectus, the duty to produce semi-annual reports, the duty to designate the media of publication and the duty to issue and redeem the units in cash.

5. In place of the prospectus and the simplified prospectus, the management company publishes an informative notice that includes details about the management company, the custodian bank, the investment policy, the fee structure and investor eligibility.

II Rights and obligations of the parties to the contract

§ 2. The fund contract

The legal relationship between the investors on the one hand and the fund management company and the custodian bank on the other is governed by the present fund contract and the applicable provisions of the current legislation on collective investment schemes.

§ 3. The fund management company

1. The fund management company manages the subfunds at its own discretion and in its own name, but for the account of the investors. It decides in particular on the issue of units, the investments and their valuation. It calculates the net asset value of the subfunds and determines the issue and redemption prices of units as well as distributions of income. It exercises all rights associated with the umbrella fund and subfunds.

2. The fund management company and its agents are subject to the duties of loyalty, due diligence and disclosure in respect of the subfunds and the investment fund. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information on the umbrella fund and/or its subfunds.

3. The fund management company can delegate investment decisions as well as specific tasks for all subfunds or for individual subfunds, provided this is in the interests of efficient management. It commissions only persons who are qualified to execute the delegated tasks properly; it ensures they are properly instructed and monitored and checks that the mandate is being properly executed.

4. The fund management company may with the consent of the custodian bank submit a change to the present fund contract to the supervisory authority for approval (see § 27) and may also establish further subfunds with the approval of the supervisory authority.

5. The fund management company can merge the individual subfunds with other subfunds or with other investment funds pursuant to the provisions set down under § 25 and can dissolve the individual subfunds pursuant to the provisions set down under § 26.

6. The fund management company can manage part or all of the assets of different investment funds or subfunds jointly ("pooling"), provided these are managed by the same fund management company and the assets are held in safekeeping by the same custodian bank. This does not give rise to any additional costs for the investors. The pooling does not create any liability between the participating investment funds or the participating subfunds. The fund management company must at all times be in a position to allocate the investments of the pool to the different participating investment funds or the different participating subfunds. The pool does not constitute a separate fund in its own right.

7. The fund management company is entitled to receive the fees stipulated in §§ 19 and 20. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.

§ 4. Custodian bank

1. The custodian bank is responsible for the safekeeping of the assets of the subfunds. It handles the issue and redemption of subfund units as well as managing payment transactions on behalf of the subfunds.

2. The custodian bank and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information on the umbrella fund and/or its subfunds.

3. The custodian bank may delegate the safekeeping of the assets of a subfund to a third-party custodian or collective securities depository in Switzerland or abroad. It is liable for applying due diligence when choosing and instructing any such third parties, as well as for monitoring constant compliance with the selection criteria.

4. The custodian bank ensures that the fund management company complies with the law and the fund contract. It checks that the calculation of the net asset values and of the issue and redemption prices of the units as well as the investment decisions are in compliance with the law and the fund contract, and that the income is appropriated in accordance with the fund contract. The custodian bank is not responsible for the choice of investments made by the fund management company in accordance with the investment regulations.

5. The custodian bank is entitled to receive the fees stipulated in §§ 19 and 20. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.

§ 5. Investors

1. This fund is aimed exclusively at qualified investors within the meaning of Art. 10, paras. 3 and 4 CISA. Qualified investors are: regulated financial intermediaries, such as banks, securities brokers and fund management companies; regulated insurance institutions; public entities and occupational pension institutions with professional treasury operations; companies with professional treasury operations; high-net-worth individuals; investors who have signed a written discretionary management agreement with a financial intermediary; and investors who have signed a written discretionary management agreement with an independent asset manager, provided that the provisions of Art. 6, para. 2 CISO are fulfilled.

   Investor eligibility for the

   - Ethos – Equities North America (RPF)
   - Ethos – Equities World ex CH (RPF)

   subfunds is restricted to Swiss retirement benefits institutions within the meaning of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG) that are exempted from taxation at source by the United States of America in respect of income from securities under the terms of the Double Taxation Agreement between the Swiss Confederation and the United States of America.

2. On concluding the contract and making a payment in cash or in kind, the investor acquires a claim against the fund management company in respect of the units acquired, in the form of a participation in the assets and income of a subfund of the umbrella fund. The investor's claim is evidenced in the form of fund units. Investors are entitled to participate in the assets and income of only that subfund in which they hold units.

   Liabilities attributable to an individual subfund are borne solely by the said subfund.

3. The investors are obliged only to remit payment in cash or in kind for the units of the subfund concerned to which they subscribe. They are not held personally liable for the liabilities of other subfunds of the investment fund.

4. Investors may at any time request that the fund management company supply them with the necessary information regarding the basis on which the net asset value per unit is calculated. If investors express an interest in more detailed information about specific business transactions effected by the fund management company, such as the exercising of membership and creditor rights, they must be given such information by the fund management company at any time. The investors may request at the courts of the registered office of the fund management company that the auditors or another expert investigate the matter which requires clarification and furnish a report.

5. The investors may terminate the investment fund contract at any time and demand that their share in the subfund concerned be reimbursed. Detailed information is set out in the informative notice.

6. If requested, the investors are obliged to provide the fund management company, the custodian bank and their agents with proof that they comply with or continue to comply with the provisions set forth in the law or the fund contract in respect of participation in a subfund. Furthermore, they are obliged to inform the fund management company, the custodian bank or their agents immediately once they no longer meet these prerequisites.

7. The fund management company in conjunction with the custodian bank must make an enforced redemption of the units of an investor at the current redemption price if:

   a) this is necessary to safeguard the reputation of the financial market, and in particular to combat money laundering;

   b) the investor no longer meets the legal, regulatory, contractual or statutory requirements for participation in a subfund.

8. The fund management company in conjunction with the custodian bank can also make an enforced redemption of the units of an investor at the current redemption price if:

   a) the participation of the investor in a subfund is such that it could have a significant detrimental impact on the economic interests of the other investors, in particular if the participation could result in tax disadvantages for the umbrella fund and/or a subfund in Switzerland or abroad;

   b) the investor has acquired or holds their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, or of the present fund contract or the informative notice applicable to them;

   c) there is a detrimental impact on the economic interests of the investors, in particular in cases where individual investors seek by way of systematic subscriptions and immediate redemptions to achieve a pecuniary gain by exploiting the time differences between the setting of the closing prices and the valuation of the subfund’s assets (market timing).

§ 6. Units and unit classes

1. The fund management company can establish different unit classes and can also merge or dissolve unit classes for each subfund at any time subject to the consent of the custodian bank and the approval of the supervisory authority. All unit classes entitle the holder to a share in the total assets of the subfund concerned, which is not segmented. This share may differ due to class-specific costs, distributions or income, and the various classes may therefore have different net asset values per unit. Class-specific costs are covered by the assets of a subfund as a whole.

2. Notification of the establishment, dissolution or merger of unit classes is communicated in writing directly to the investor. Only mergers are deemed a change to the fund contract pursuant to § 27.

3. The various unit classes of the subfunds may differ from one another in terms of their cost structure, reference currency, currency hedging, policy with regard to distribution or reinvestment of income, the minimum investment required or investor eligibility.

   Fees and costs are charged only to the unit class for which the respective service is performed. Fees and costs that cannot be unequivocally allocated to a unit class are charged to the individual unit classes on a pro rata basis in relation to their share of the subfund's assets.

4. The unit classes currently available are the following:

   "E" units are available to investors who meet both the following conditions:

   a) they are qualified investors within the meaning of Art. 10, paras. 3 and 4 CISA (cf. § 5.1).

   b) they permit their identity to be passed by their custodian bank to Banque Pictet & Cie SA (the fund's custodian bank) or FundPartner Solutions (Europe) SA, Luxembourg, (transfer agent) and permit this identity to be passed to Ethos Services SA, Ethos – Swiss Foundation for Sustainable Development and Pictet Funds SA.

      If this identity may not be transmitted as described above, the investors must confirm in writing to their custodian bank:

      i. that they are Swiss residents,
      ii. that they are not "U.S. persons[1]" within the meaning of the applicable legislation,
      iii. that they have fulfilled their tax obligations,
      iv. that they authorise the transmission of this information by their custodian bank to FundPartner Solutions (Europe) SA, Luxembourg, Ethos Services SA, Pictet Funds SA and Ethos – Swiss Foundation for Sustainable Development.

   "EX" units are available to investors who meet both the following conditions:

   a) investor eligibility for these subfunds is restricted to Swiss retirement benefits institutions within the meaning of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG) that are exempted from taxation at source by the United

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[1] The term "United States person" or "U.S. person" means, pursuant to Title 26 of the United States Code ("USC") § 7701 30: a) a citizen or resident of the United States, b) a domestic partnership, c) a domestic corporation, d) any estate (other than a foreign estate, within the meaning of paragraph 31 of the USC), e) any trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and (ii) one or more United States persons have the authority to control all substantial decisions of the trust

States of America in respect of income from securities under the terms of the Double Taxation Agreement between the Swiss Confederation and the United States of America.

b) The investors in these subfunds must, at the time of the initial subscription, have provided Banque Pictet & Cie SA (custodian bank of the fund), Pictet Funds SA (fund management company) or FundPartner Solutions (Europe) SA, Luxembourg (transfer agent) with original tax documents (normally forms "W-8BEN" or "W-8EXP") demonstrating that they meet the conditions for tax exemption and must agree to their identity being transmitted to another entity of the Pictet Group, to Ethos Services SA and Ethos – Swiss Foundation for Sustainable Development. On the basis of these documents and any other documentary evidence they may require, the fund management company or the transfer agent may, at their discretion, decide to authorise an investment in these subfunds.

c) If the investor is unable to provide the required documents, or if the custodian bank of the fund, the fund management company or the transfer agent determine that the investor no longer meets the necessary prerequisites for participation in this unit class, the latter's units will be subject to a forced redemption in accordance with § 5, prov. 7 above. The fund management company reserves the right to require the investor concerned to make good any losses that may have been caused to the subfund through the provision by this investor of inaccurate, incomplete, erroneous or obsolete information or documents, or through the investor's failure to supply updated information and documents following a change of circumstances, and which led the fund management company or the transfer agent to authorise or continue to authorise this investor's investment in these subfunds.

5. Units shall not take the form of actual certificates but shall exist purely as book entries. The investors are not entitled to demand delivery of a unit certificate.

6. The fund management company is obliged to instruct investors who no longer meet the prerequisites for holding a unit class to ensure within 30 calendar days that their units are redeemed pursuant to § 18, transferred to a person who does meet the aforementioned prerequisites, or switched into units of another unit class of the subfund concerned whose prerequisites they do meet. If an investor fails to comply with this demand, the fund management company may, in cooperation with the custodian bank, make an enforced switch into another unit class of the subfund concerned pursuant to § 5, prov. 7, or, should this not be possible, enforce the redemption of the units in question.

§ 7. Exercising voting rights

In principle, the fund will exercise the voting rights attached to the securities held by the fund. In order to do so, the fund will base its decisions on the financial, environmental, social and governance (ESG) analysis of the companies in which it has chosen to invest, and on analysis of the agendas of the general meetings of these companies. The fund will take advice from Ethos Services SA, or any other entity controlled by the latter, in order to determine how it should exercise its voting rights. By deciding to exercise its voting rights actively, the fund aims to help make companies and their shareholders more aware of the issues surrounding sustainable fund management.

III Investment policy guidelines

A Investment principles

§ 8. Compliance with investment guidelines

1. In selecting individual investments for each subfund, the fund management company must adhere to the principle of balanced risk diversification and must observe the percentage limits defined below. These percentages relate to the assets of the individual subfunds at market value and must be complied with at all times. The individual subfunds must have fulfilled the terms of the investment restrictions no later than six months after the subscription date (launch).

2. If the limits are exceeded as a result of market-related changes, the investments must be restored to the permitted level within a reasonable period, taking due account of the investors' interests. If the limits relating to derivatives pursuant to § 13 below are exceeded due to a change in the delta, this is to be rectified within three bank working days at the latest, taking due account of the investors' interests.

§ 9. Investment objective, investment policy

1. The investment objective of each subfund is to achieve an optimal combination of income and capital gains. For each subfund, the management selects a benchmark index which is listed in the informative notice issued to the investors. The management is authorised to change this benchmark index in the interest of the investors.

   The investment policy of each subfund of the fund is defined by the management. It must comply with the principles of security, profitability and liquidity. In principle, each subfund of the fund places emphasis on the long-term outlook of the companies and borrowers in which it invests. In their investment decisions, the management company representatives take account of the environmental, social and governance (ESG) analyses of companies and borrowers that demonstrate financial sustainability.

2. Within the framework of the specific investment policy of each subfund, the fund management company may invest the assets of the individual subfunds in the investments listed below.

   a) Securities, i.e. securities issued in large quantities and non-securitised rights with the same function (uncertified securities) that are traded on a stock exchange or other regulated market open to the public, and that embody a participation right or claim or the right to acquire such securities or uncertified securities by way of subscription or exchange, for example warrants.

      Investments in securities from new issues are only permitted if their admission to a stock exchange or other regulated market open to the public is envisaged under the terms of issue. If they have not been admitted to a stock exchange or other regulated market open to the public within a year after their acquisition, these securities must be sold within one month or included under the restriction set down in prov. 2 lit. f).

   b) Derivatives, if (i) the underlying securities are securities pursuant to lit. a), derivatives pursuant to lit. b), units of collective investment schemes pursuant to lit. c), money market instruments pursuant to lit. d), financial indices, interest rates, exchange rates, credits or currencies, and (ii) the underlying securities are permitted as investments under the fund contract. The derivatives are either traded on a stock exchange or other regulated market open to the public, or are traded OTC.

      Investments in derivatives traded over the counter (OTC transactions) are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions, and (ii) the OTC derivatives can be traded daily or a return to the issuer is possible at any time. In addition, it must be possible for them to be valued in a reliable and transparent manner. Derivatives may be used pursuant to § 13.

c) Units of other collective investment schemes (target funds), provided that (i) their documents restrict investments for their part in other target funds to a total of 10%; (ii) these target funds are subject to provisions equivalent to those pertaining to "securities funds" in respect of the purpose, organisation, investment policy, investor protection, risk diversification, asset segregation, borrowing, lending, short-selling of securities and money market instruments, issuing and redemption of fund units and the content of the semi-annual and annual reports; and (iii) these target funds are authorised as collective investment schemes in their country of domicile and are there subject to supervision equivalent to that in Switzerland and which serves to protect investors, and that international legal assistance is ensured.

d) Money market instruments, provided these are liquid, can be readily valued and are traded on an exchange or other regulated market open to the public; money market instruments that are not traded on an exchange or other regulated market open to the public may be acquired only if the issue or the issuer is subject to provisions regarding creditor and investor protection and if the money market instruments are issued or guaranteed by issuers pursuant to Art. 74, para. 2 CISO.

e) Sight or time deposits with terms to maturity not exceeding twelve months with banks domiciled in Switzerland or in a member state of the European Union or in another country provided that the bank is subject to supervision in its country of origin which is equivalent to the supervision in Switzerland.

f) Investments other than those specified in lits. a) to e) above up to a maximum of 10% of the total assets of the fund. The following are not permitted: (i) investments in precious metals, precious metals certificates, commodities and commodity certificates, or (ii) short-selling of investments in accordance with lits. a) to d) above.

3. The fund management company invests the assets of each subfund as follows:

- For equity subfunds, at least 2/3 in:

  a) Equities and book-entry securities (shares, dividend-right certificates, ownership shares, participation certificates, etc.) issued by companies which are registered in or carry out the greater part of their business activity in the geographical region or which are included in a category described in the annex relating to each subfund;

  b) Units of collective investments up to a maximum of 10% of the subfund's total assets, unless there is a special provision in the annexes relating to each subfund.

  In the case of the above-mentioned investments, the fund management company ensures that at least two thirds of the fund’s assets on a consolidated basis are invested in investments pursuant to lit. a) above.

- For bond subfunds, at least 2/3 in:

  a) Bonds (including convertible bonds, convertible notes and bonds with warrants up to a maximum of 25% of the subfund's total assets), notes, and other fixed or variable-interest debt instruments and rights issued by private and public borrowers;

  b) Units of collective investments up to a maximum of 10% of the subfund's total assets, unless there is a special provision in the annexes relating to each subfund;

  c) Forward foreign exchange contracts.

In the case of the above-mentioned investments, the fund management company ensures that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. a) above.

Details of the investment policies of each subfund are set out in the annexes to this contract. Annexes 1 to 9 are an integral part of this agreement.

4. Subject to the provisions of § 20, the fund management company may acquire units of target funds that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes.

5. Derivatives are subject to counterparty risk, in addition to market risk; in other words, there is a risk that the contracting party may not honour its commitments and may thus cause a financial loss.

§ 10. Liquid assets

The fund management company may also hold liquid assets for each subfund in an appropriate amount in the accounting currency of the subfund concerned and in any other currency in which investments are permitted. Liquid assets comprise sight and time bank deposits with maturities of up to twelve months.

B Investment techniques and instruments

§ 11. Securities lending

The fund management company does not engage in securities lending transactions.

§ 12. Securities repurchase agreements

The fund management company does not engage in securities repurchase agreements.

§ 13. Derivative financial instruments

1. The fund management company may use derivatives for the efficient management of the assets of the subfunds. It shall ensure that even under extreme market conditions, the financial effect of the use of derivatives does not result in a deviation from the investment objectives set out in the fund contract and the informative notice, and that it does not change the investment character of the subfunds of the fund. Furthermore, the underlyings of the derivatives must be permitted as investments for the subfund in accordance with the present fund contract.

2. Commitment approach I is a simplified process and its defining characteristic is that the use of derivatives must not have a leverage effect on the fund assets or correspond to short selling. Commitment approach II is an extended process. Both leverage and short selling are permitted. The overall exposure of a subfund may be up to 200% of its net assets (or up to 225% when borrowing is taken into account). In the case of the model approach, the risk of a subfund is measured daily as the value-at-risk (VaR) with a 99th percentile confidence interval and a holding period of 20 trading days; it may not exceed twice the VaR of a derivative-free benchmark portfolio, pursuant to § 8 prov. 2. Stress tests must also be carried out on a regular basis.

3. For the assessment of risk, commitment approach II is applied. The use of derivatives therefore does not result in a leverage effect on the subfunds' assets, nor does it correspond to short selling.

4. The fund management company must at all times be able to meet the payment and delivery obligations entered into in respect of the derivatives, in accordance with collective investment schemes legislation.

5. Only basic types of derivative may be used. These comprise:

   a) Call or put options whose value at expiration is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price and is zero if the difference is preceded by the opposite algebraic sign;
   b) Credit default swaps (CDS);
   c) Swaps whose payments are dependent on the value of the underlying or on an absolute amount in both a linear and a non-path dependent manner;
   d) Future and forward transactions whose value is linearly dependent on the value of the underlying.

6. The effect of using derivative financial instruments is similar to either a sale (positions on derivatives that reduce exposure) or a purchase (positions on derivatives that increase exposure) of an underlying security.

   a) In the case of exposure-reducing derivatives, the obligations that arise subject to lits. b) and d) must be covered at all times by the underlyings of the derivative.

   b) Cover with investments other than the underlyings is permitted in the case of exposure-reducing derivatives that relate to an index which is

      - calculated by an independent external office;
      - representative of the investments serving as cover;
      - in adequate correlation to these investments.

   c) The fund management company must have unrestricted access to these underlyings or investments at all times. Underlyings can be used as cover for several derivative positions at the same time, if the latter are subject to a market risk, credit risk or currency risk and are based on the same underlyings.

   d) An exposure-reducing derivative can be weighted by the delta in the calculation of the corresponding underlyings.

7. In the case of exposure-increasing derivatives, the underlying equivalents must at all times be covered by near-money assets. In the case of futures, forwards and swaps, the underlying equivalent is determined by taking the product of the number of contracts and the contract value. In the case of options, it is determined by taking the product of the number of contracts, the contract value and the delta (if this has been calculated). Near-money assets can be used to cover several exposure-increasing derivative positions at the same time, provided these are subject to a market risk or credit risk and are based on the same underlyings.

8. The fund management company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on a stock exchange or other regulated market open to the public or in OTC (over-the-counter) trading.

   a) The fund management company may conclude OTC transactions only with regulated financial intermediaries that specialise in such types of transaction and can ensure proper execution of the contract. If the counterparty is not a custodian bank, the said counterparty or the guarantor must meet the minimum credit rating requirements laid down in collective investment schemes legislation under Art. 33 CISO-FINMA.

   b) It must be possible to value an OTC derivative reliably and verifiably on a daily basis and to sell, liquidate or close out the derivative at market value at any time.

   c) If no market price is available for an OTC-traded derivative, it must be possible to determine the price at any time using appropriate valuation models that are recognised as standard, based on the market value of the underlyings. Moreover, before the conclusion of such transactions, specific offers must be obtained from at least two potential counterparties and the most favourable offer accepted, with due consideration to the price, credit rating, risk distribution and range of services offered by the counterparties. The conclusion of the transaction and pricing must be clearly documented.

9. In respect of compliance with the maximum statutory and regulatory limits, particularly as regards risk distribution, derivatives must be used in accordance with the legislation on collective investment schemes.

§ 14. Borrowing and lending

1. The fund management company may not grant loans for the subfunds' account.

2. The fund management company may borrow the equivalent of up to 10% of the assets of a subfund on a temporary basis.

§ 15. Encumbrance of the subfunds' assets

1. The fund management company may not pledge or collateralise a subfund's assets.

2. The subfunds' assets may not be encumbered with guarantees. An exposure-increasing credit derivative is not deemed to be a guarantee within the meaning of this clause.

C Investment restrictions

§ 16. Risk diversification

1. The regulations below on risk diversification apply to the following:

   a) investments pursuant to § 9, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market it relates to and is published in an appropriate manner;

   b) liquid assets pursuant to § 10;

c) claims against counterparties arising from OTC transactions.

2. Companies which form a group in accordance with international accounting regulations are deemed to be a single issuer.

3. Including derivatives, the fund management company may invest up to a maximum of 20% of the assets of a subfund in securities and money market instruments issued by the same issuer. The total value of the securities and money market instruments of issuers in which more than 5% of the total assets of a subfund are invested may not exceed 40% of the total assets of the fund. This is subject to the provisions set out in provs. 4 and 5 below.

   In the case of an index subfund, the fund management company may invest up to a maximum of 20% of the total fund assets, including derivatives, in securities and money market instruments issued by the same issuer. The limit of 20% is raised to 35% for a single issuer that strongly dominates a regulated market. Such an issuer must be cited in the informative notice. The 40% limit mentioned in the preceding paragraph does not apply to investments authorised by this paragraph.

4. The fund management company may invest up to a maximum of 20% of the total assets of a subfund in sight and term deposits with the same bank. Both liquid assets pursuant to § 10 and investments in bank deposits pursuant to § 9 are included in this limit.

5. The fund management company may invest up to a maximum of 5% of the total assets of a subfund in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is increased to 10% of the total assets of a subfund.

6. Investments, assets and claims issued by the same issuer or borrower pursuant to provs. 3 to 5 above may not exceed 20% of the total assets of a subfund, with the exception of the higher limits pursuant to provs. 12 and 13 below. In the case of an index subfund, the limit is raised to 35% for a single issuer.

7. Investments pursuant to prov. 3 above issued by the same group of companies may not in total exceed 20% of the total assets of a subfund, with the exception of the higher limits pursuant to provs. 12 and 13 below.

8. The fund management company may invest a maximum of 20% of the total assets of a subfund in units of the same target fund.

9. For each subfund, the fund management company may not acquire equity securities which in total represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company, unless an exception is granted by the supervisory authority.

10. The fund management company may acquire for the assets of a subfund up to a maximum of 10% of the non-voting equity, debt instruments and/or money market instruments of the same issuer as well as a maximum of 25% of the units of other collective investment schemes. These restrictions do not apply if the gross amount of the debt instruments, money market instruments or units of other collective investment schemes cannot be calculated at the time of the acquisition.

11. The restrictions in provs. 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by

an international public-law organisation to which Switzerland or a member state of the European Union belongs.

12. The limit in prov. 3 above is increased from 10% to 35% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. The aforementioned securities or money market instruments will not be taken into account in the application of the 40% limit pursuant to prov. 3. However, the individual limits specified in provs. 3 and 5 may not be added together with the above-mentioned limit of 35%, subject to the limits applicable to the index subfunds.

13. The limit of 20% mentioned in prov. 3 is increased to 100% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. In this case, the subfund concerned must invest in securities or money market instruments from at least six different issues; no more than 30% of the total assets of the subfund may be invested in securities or money market instruments from the same issue. The aforementioned securities or money market instruments will not be taken into account in the application of the 40% limit pursuant to prov. 3, subject to the limits applicable to the index subfunds.

    The issuers and guarantors authorised above are listed in the informative notice.

14. These investment restrictions apply to each subfund.

IV Calculation of the net asset value and issue and redemption of units

§ 17. Calculation of the net asset value

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

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

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

4. The value of money market instruments that are not traded on a stock exchange or other regulated 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 keeping the investment returns calculated in this manner 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 deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions or the credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.

6. The net asset value of a unit of a given class of a subfund is determined by the proportion of this subfund's assets as valued at the market value attributable to the given unit class, less any of this subfund's liabilities that are attributed to the given unit class, divided by the number of units of the given class in circulation. It is rounded to the nearest CHF 0.01.

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

   a) when units are issued and redeemed;

   b) on the pertinent date for distributions, provided that (i) such distributions are made only for individual unit classes (distribution classes) or provided that (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values or provided that (iii) different commissions or costs 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 costs and commissions) to the various 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 if (ii) class-specific costs 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 in the interests of several unit classes but nevertheless disproportionately to their share of the net assets of the subfund.

§ 18. Issue and redemption of units

1. Subscription and redemption orders for units are accepted on the day the orders are placed up to a certain cut-off time specified in the informative notice. The definitive issue and redemption price of the units is determined at the earliest on the bank business day following the day the order is placed (valuation day). This is referred to as 'forward pricing'. For the Equities Pacific subfund, the definitive issue and redemption price of the units is determined at the earliest two bank business days after the day the order is placed (valuation day). This is referred to as 'forward pricing'. The details are set out in the informative notice.

2. The subscription and redemption price of units is determined as a function of the net asset value per unit, on the valuation date, based on the closing prices from the previous day as set forth in § 17. At the time of issuance, any incidental costs (brokerage fees at market rates, commissions, other fees, etc.) incurred by the subfund on average in connection with investing the amount paid shall be added to the net asset value. At the time of redemption, the incidental costs incurred by the subfund in connection with the sale of the redeemed unit shall be deducted from the net asset value. The rate applicable in each case is stated in the informative notice. Furthermore, in the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 19 and in the case of unit

redemptions, a redemption commission may be deducted from the net asset value pursuant to § 19. These incidental costs are not levied when units are subscribed or redeemed in kind.

3. The fund management company may suspend the issue of units at any time, and may reject applications for the subscription or switching of units.

4. The fund management company may temporarily and by way of exception defer repayment in respect of units of a subfund in the interests of all investors:

   a) if a market which is the basis for the valuation of a significant proportion of the fund's assets is closed, or if trading on such a market is restricted or suspended;

   b) in the event of a political, economic, military, monetary or other emergency;

   c) if, owing to exchange controls or restrictions on other asset transfers, the collective investment scheme can no longer transact its business;

   d) in the event of large-scale redemptions of units of the subfund that could significantly affect the interests of the remaining investors.

5. The fund management company shall immediately apprise the auditors and the supervisory authority of any decision to suspend redemptions. It shall also notify the investors in a suitable manner.

6. No units of a subfund shall be issued as long as the repayment in respect of units of this subfund is deferred for the reasons stipulated in prov. 4 lits. a) to c).

7. The fund management company may, if so requested, allow an investor to subscribe to units of a subfund by furnishing investments rather than cash, or, when the fund contract is terminated, reimburse an investor in the form of investments from the fund's assets instead of in cash. The investments furnished or delivered should in principle be capable of being valued daily or be listed on a stock market or other regulated market open to the public. The management has sole decision-making authority and approves this type of transaction only if it complies fully with the fund contract and the subfund's current investment policy and does not impinge in any way upon the interests of the other investors. Any additional costs incurred due to a transfer into or out of the fund in the form of securities instead of cash are borne by the investor that made the corresponding request.

   The fund management company draws up a report giving detailed explanations concerning any such subscription or redemption in the form of securities, and in particular the value of the investments furnished or redeemed on the date of the transaction, the number of investments transferred to the counterparty and any additional cash payment. The fund management company states in the report whether the conditions specified above have been met.

   The reports produced by the fund management company are made available to the auditor.

V Fees and incidental costs

§ 19. Fees and incidental costs charged to the investor

1. When fund units are issued, the investors can be charged an issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, as follows:

   "E" units: no issuing commission may be charged to the investor.
   "EX" units: no issuing commission may be charged to the investor.

2. When fund units are redeemed, the investors can be charged a redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, as follows:

   "E" units: no redemption commission may be charged to the investor.
   "EX" units: no redemption commission may be charged to the investor.

3. When units are issued and redeemed, the fund management company shall also charge the incidental costs incurred by the subfund on average when investing the amount paid in or selling a portion of the investments corresponding to the units redeemed (cf. § 18 prov. 2); these costs are added to the assets of the subfund concerned. The rate applicable in each case is stated in the informative notice.

4. Switching from one subfund to another incurs the incidental costs mentioned in § 18 prov. 2, whereas switching from one class to another does not incur a charge.

§ 20. Fees and incidental costs charged to the fund's assets

1. The fund management company and the custodian bank are entitled to charge the following commissions:

   a) Fund management company's commission:
      - For the administration, management and marketing of each subfund of the fund, the management company charges the fund a maximum annual commission of 1% of the net asset value of the subfund. The commission is charged at the end of each month on a pro rata basis.

        The effective rate is published in the annual report. If the management of the fund is delegated, part of the commission may be paid by the fund directly to the managers.

        The informative notice states that the management pays retrocessions to investors, and/or distribution fees.

        The commission levied by the management comprises the remuneration due to Ethos Services SA for the services listed in § 7 of this fund contract.

   b) Custodian bank commission:
      - For the safekeeping of the fund's assets, the handling of the fund's payment transactions and other tasks of the custodian bank listed under § 4, the custodian bank charges a maximum annual commission of 0.05% of the subfund's assets. The effective rate is stated in the annual reports. Furthermore, foreign custody fees and expenses are also charged to the fund's assets;

      - For the payment of liquidation proceeds in the event the subfund is dissolved, the custodian bank deducts a maximum fee of 0.5% of the net asset value of the units.

2. Furthermore, the fund management company and the custodian bank are entitled to reimbursement of the following costs incurred in the course of executing the fund contract:

- annual fees for the supervision of the umbrella fund and subfunds in Switzerland;
- printing costs of the annual reports;
- costs of publishing the NAV and notices to investors;
- fees charged by the auditor for regular auditing of the fund;
- any other costs incurred as a result of exceptional and necessary measures taken in the interest of investors.

3. The subfunds also bear all incidental costs for the purchase and sale of investments (standard brokerage fees, commissions, taxes) incurred in the management of the fund's assets. These costs are charged directly against the stated acquisition or sales value of the respective investments. These incidental costs are not levied when units are subscribed or redeemed in kind.

4. If the fund management company acquires units of other collective investment schemes that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes ("related target funds"), a management fee of 0.25% only may be charged to the assets of the subfund in respect of such investments. The fund management company may not charge to the subfund any issuing or redemption commissions for the related target funds.

   If the fund management company invests in units of a related target fund pursuant to the above paragraph which has a lower actual (flat-rate) management fee than the actual management fee pursuant to prov. 1, the fund management company may, instead of charging the aforementioned management fee, charge the difference between the actual management fee of the investing subfund and the actual (flat-rate) management fee of the related target fund.

5. Fees may be charged only to the subfund for which the respective service has been performed. Costs which cannot be charged to an individual subfund are charged to the various subfunds in proportion to their share of the fund assets.

VI Financial statements and audits

§ 21. Financial statements

1. The accounting currency of all the subfunds is the Swiss franc.
2. The financial year runs from 1 January to 31 December.
3. The fund management company publishes an audited annual report for the fund within four months of the end of the financial year. In accordance with Art. 10, para. 5 CISA, the fund management company does not publish a semi-annual report.
4. The investor's right to obtain information under § 5 prov. 4 remains reserved.

§ 22. Audits

The auditors examine whether the fund management company and the custodian bank have acted in compliance with the provisions of the fund contract, the CISA and the code of conduct of the Swiss Funds Association (SFA). The annual report contains a short report by the auditors on the published annual financial statements.

VII Appropriation of net income

§ 23.

1. The net income of each subfund is distributed annually per unit class to the investors within four months of the end of the financial year, in Swiss francs. If the investor does not request payment, the net dividend is automatically reinvested in fund units, provided that the amount distributed is sufficient.

   The fund management company may make additional interim distributions from the income.

   Up to 20% of the net income of a unit class may carried forward to the new account. If the net income in a financial year including income carried forward from previous financial years is less than CHF 1.00 per unit, a distribution may be waived and the entire net income may be carried forward.

2. Capital gains realised on the sale of assets and rights can be distributed by the management or retained for the purpose of reinvestment.

VIII Publication of official notices by the umbrella fund and subfunds

§ 24.

1. In accordance with Art. 10, para. 5 CISA, the fund and subfunds do not have official media of publication (printed or electronic). Information is communicated directly to investors by registered post.

2. Summaries of material amendments to the fund contract are communicated by registered post with confirmation of receipt, indicating the offices from which the full text of the amendment, change of fund management company and/or custodian bank, creation, dissolution or merger of unit classes or liquidation of the fund may be obtained free of charge. Amendments that are required by law and that do not affect the rights of investors or are of an exclusively formal nature may be exempted from the duty to publish and notify, subject to the approval of the supervisory authority.

3. Each time units are issued or redeemed, the fund management company shall publish both the issue and the redemption prices or the net asset value together with a footnote stating “excluding commissions” in the printed and electronic media stated in the informative notice. The prices must be published at least twice per month. The weeks and dates on which publications are made must be specified in the informative notice.

4. The fund contract, informative notice and annual report may be obtained free of charge from the fund management company, the custodian bank and all distributors.

IX Restructuring and dissolution

§ 25. Mergers

1. Subject to the consent of the custodian bank, the fund management company can merge individual subfunds with other subfunds or other investment funds by transferring the assets and liabilities – as of the time of the merger – of the subfund(s) or fund(s) being acquired to the acquiring subfund or fund. The investors of the fund or subfund being acquired receive units in the acquiring subfund or fund to the equivalent value. The fund or subfund being acquired is terminated without liquidation on the date the merger takes place, and the fund contract of the acquiring fund or subfund also applies to the fund or subfund being acquired.

2. Subfunds and funds may be merged only if:

   a) provision for this is made in the relevant fund contracts;

   b) they are managed by the same fund management company;

   c) the relevant fund contracts are basically identical in terms of the following provisions:

      - investment policy, risk diversification, and risks associated with the investments;
      - the appropriation of net income and capital gains;
      - the type, amount and calculation of all fees, and the issue and redemption commission together with the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the assets of the fund or subfunds or to the investors;
      - the redemption conditions;
      - the duration of the contract and the conditions of dissolution;

   d) the valuation of the participating fund or subfund assets, the calculation of the exchange ratio and the transfer of the assets and commitments of the funds or subfunds take place on the same day;

   e) no costs arise as a result for either the fund or subfunds or the investors.

3. If the merger is likely to take more than one day, the supervisory authority may approve limited deferment of repayment.

4. The fund management company must submit the proposed merger together with the merger schedule to the supervisory authority for review at least one month before the planned communication of the intended changes to the fund contract. The merger schedule must contain detailed information on the reasons for the merger, the investment policies of the funds involved and any differences between the acquiring fund or subfund and the fund or subfund being acquired, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the funds, as well as a statement from the statutory auditors.

5. The fund management company must communicate the proposed changes to the fund contract pursuant to § 24 prov. 2, and details of the proposed merger and its timing, together with the merger schedule, at least two months before the planned date of merger, in accordance with the methods of communication laid down for the participating funds or subfunds. In this notice, the fund management company must inform the investors that they may lodge objections against the proposed changes to the investment fund contract with the supervisory authority within 30 days of the latest communication or request redemption of their units.

6. The auditors immediately check that the merger is being carried out correctly, and submit a report containing their comments in this regard to the fund management company and the supervisory authority.

7. The fund management company shall without delay inform the supervisory authority of the completion of the merger, the confirmation from the auditors regarding the proper execution of the merger and the report on the exchange ratio of the participating funds.

8. The fund management company makes reference to the merger of the subfund or fund in the next annual report of the acquiring fund. If the merger does not take place on the last day of the usual financial year, an audited closing statement must be produced for the fund(s) or subfund(s) being acquired.

§ 26. Duration and dissolution of the subfunds or investment fund

1. The subfunds have been established for an indefinite period.

2. The fund management company or the custodian bank may wind up the fund by terminating the fund contract.

3. Individual subfunds may be dissolved by order of the supervisory authority, in particular if, at the latest one year after the expiry of the subscription period (launch) or a longer extended period approved by the supervisory authority at the request of the custodian bank and the fund management company, the subfund does not have net assets of at least 5 million Swiss francs (or the equivalent).

4. The fund management company informs the supervisory authority of the dissolution immediately and communicates it to the investors.

5. Once the fund contract has been terminated, the fund management company may liquidate a subfund forthwith. If the supervisory authority has ordered the dissolution of a subfund, it must be liquidated forthwith. The custodian bank is responsible for paying the liquidation proceeds to the investors. If the liquidation proceedings are protracted, the liquidation proceeds may be paid in instalments. The fund management company must obtain authorisation from the supervisory authority before making the final payment.

X Changes to the fund contract

§ 27.

If changes are made to the present fund contract, or if the merger of unit classes or a change of the fund management company or of the custodian bank is planned, the investor may lodge an objection with the supervisory authority within 30 days after the communication. In the event of a change to the fund contract (including the merger of unit classes), the investors can also demand the redemption of their units in cash subject to the contractual period of notice.

Exceptions in this regard are cases pursuant to § 24 prov. 2 that have been exempted from the regulations governing communication and disclosure, with the approval of the supervisory authority.

XI Applicable law and place of jurisdiction

§ 28.

1. The umbrella fund and the individual subfunds are subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November 2006 and the Ordinance of the Swiss Federal Banking Commission [now FINMA] on Collective Investment Schemes of 21 December 2006.

   The place of jurisdiction is the court at the fund management company's registered office.

2. The French version is binding for the interpretation of the present fund contract.

3. The present fund contract comes into force on 4 March 2014.

4. The present fund contract replaces the fund regulations dated 1st January2014.

This fund contract was approved by the Swiss Financial Market Supervisory Authority (FINMA) on 28 February 2014.

The Fund Management Company	**The Custodian Bank**
Pictet Funds S.A., 1211 Geneva 73	**Banque Pictet & Cie SA, 1211Geneva 73**

Annexes

- Annex 1: Ethos – Equities CH indexed, Corporate Governance
- Annex 2: Ethos – Equities Europe ex CH
- Annex 3: Ethos – Equities Europe ex CH indexed, Corporate Governance
- Annex 4: Ethos – Equities North America (RPF)
- Annex 5: Ethos – Equities North America
- Annex 6: Ethos – Equities Pacific
- Annex 7: Ethos – Equities World ex CH (RPF)
- Annex 8: Ethos – Bonds CHF
- Annex 9: Ethos – Bonds International

ANNEX 1

"EQUITIES CH INDEXED, CORPORATE GOVERNANCE" subfund

1. Objectives

To track the performance of the Swiss equity market using index management involving a risk profile close to that of the market. To exercise the voting rights in the interests of the shareholders and other stakeholders in the company. To engage in dialogue with the companies regarding their environmental and social responsibility, and on their practice in relation to corporate governance.

2. Investment universe

The investment universe primarily comprises securities that are part of the benchmark index stated in the informative notice issued to the investors, that have a degree of liquidity deemed adequate and are not included in the exclusion criteria specified in the said notice.

3. Investment policy

The subfund invests most of its total assets in shares of companies which are registered in or carry out the greater part of their activity in Switzerland and which are included in the benchmark index. Membership rights are actively exercised in order to improve the corporate governance of the subfund. It can invest up to one third of its total assets in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract. In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivative instruments is not permitted.

5. Portfolio construction

The management of the subfund is based on an indexing technique that includes a quantitative optimisation process the aim of which is to minimise the margin of deviation of the portfolio compared with the benchmark index (prospective tracking error).

6. Environmental, social and governance (ESG) assessment

Since a purely indexed approach is used, ESG criteria are not taken into account during the process of selecting companies.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

8. Exercising voting rights

In principle, shareholders' voting rights are systematically exercised. The objective is to cast the votes in such a way as to increase the long-term value of the company for its shareholders, as well as for the other stakeholders. Voting positions are defined according to voting guidelines based on the codes of good practice relating to corporate governance, and on the concept of sustainability.

9. Fees, commissions and costs

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company:
  "E" units: maximum 0.325%

- Annual commission payable to the custodian bank: maximum 0.05%
- Overall, the commissions charged annually may in no circumstances exceed 0.35% p.a.

ANNEX 2

"EQUITIES EUROPE EX CH" subfund

1. Objectives

To manage a portfolio of equities of companies which are registered in or carry out the greater part of their activity in Europe, except Switzerland, while complying with environmental, social and governance (ESG) criteria on the one hand, and financial criteria on the other. Performance figures are compared with those of the benchmark index, taking into account an investment horizon of several years to reflect an entire economic cycle. To exercise the voting rights in the interests of the shareholders and other stakeholders in the company.

2. Investment universe

The investment universe primarily comprises securities that are part of the index stated in the informative notice issued to the investors and are not included in the exclusion criteria specified in the said notice.

3. Investment policy

The subfund invests at least two thirds of its total assets in equities of companies which are registered in or carry out the greater part of their activity in Europe, except Switzerland. It can invest up to one third of its total assets in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract. In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivative financial instruments is not permitted, except for foreign exchange contracts; these are permitted for the short-term hedging of the currency exposure when securities are bought or sold in a currency other than the subfund's reference currency.

5. Portfolio construction

The selection of securities in the portfolio results from an optimisation based on assessments of the sustainability (environmental, social and governance) and financial status of the companies. The optimisation process seeks to increase the long-term potential of the portfolio by investing in companies that enjoy the best environmental, social and governance (ESG) ratings in each sector. The portfolio may not include companies that are the subject of significant controversy in respect of sustainability.

6. Environmental, social and governance (ESG) assessment

An ESG score is allocated to each company analysed. The score ranks the company in terms of sustainability compared with its competitors in the same sector of activity. It also takes into account the type of activity conducted by the company and the ESG considerations applicable to that sector.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

8. Exercising voting rights

In principle, shareholders' voting rights are systematically exercised. The objective is to cast the votes in such a way as to increase the long-term value of the company for its shareholders, as well as for the other stakeholders. Voting positions are defined according to voting guidelines based on the codes of good practice relating to corporate governance, and on the concept of sustainability.

9. Fees, commissions and costs

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company: "E" units:
  maximum 0.925%
- Annual commission payable to the custodian bank:
  maximum 0.05%
- Overall, the commissions charged annually may in no circumstances
  exceed 0.95% p.a.

APPENDIX 3

"EQUITIES EUROPE EX CH INDEXED, CORPORATE GOVERNANCE" subfund

1. Objectives

To track the performance of the European equity market (excluding Switzerland) using index management involving a risk profile close to that of the market. To exercise the voting rights in the interests of the shareholders and other stakeholders in the company. To engage in dialogue with the companies regarding their environmental and social responsibility, and on their practice in relation to corporate governance.

2. Investment universe

The investment universe primarily comprises securities that are part of the benchmark index stated in the informative notice issued to the investors, that have a degree of liquidity deemed adequate and are not included in the exclusion criteria specified in the said notice.

3. Investment policy

The subfund invests most of its total assets in shares of companies which are registered in or carry out the greater part of their activity in Europe, except Switzerland, and which are included in the benchmark index. Membership rights are actively exercised in order to improve the corporate governance of the subfund. It can invest up to one third of its total assets in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract. In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivative financial instruments is not permitted, except for foreign exchange contracts; these are permitted for the short-term hedging of the currency exposure when securities are bought or sold in a currency other than the subfund's reference currency.

5. Portfolio construction

The management of the subfund is based on an indexing technique that includes a quantitative optimisation process the aim of which is to minimise the margin of deviation of the portfolio compared with the benchmark index (prospective tracking error).

6. Environmental, social and governance (ESG) assessment

Since a purely indexed approach is used, ESG criteria are not taken into account during the process of selecting companies.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

8. Exercising voting rights

In principle, shareholders' voting rights are systematically exercised. The objective is to cast the votes in such a way as to increase the long-term value of the company for its shareholders, as well as for the other stakeholders. Voting positions are defined according to voting guidelines based on the codes of good practice relating to corporate governance, and on the concept of sustainability.

9. Fees, commissions and costs

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company:
  "E" units: maximum 0.425%
- Annual commission payable to the custodian bank:
  maximum 0.05%
- Overall, the commissions charged annually may in no circumstances exceed 0.45% p.a.

ANNEX 4

"EQUITIES NORTH AMERICA (RPF)" subfund

1. Objectives

To manage a portfolio of equities of companies which are registered in or carry out the greater part of their activity in North America, while complying with environmental, social and governance (ESG) criteria on the one hand, and financial criteria on the other. Performance figures are compared with those of the benchmark index, taking into account an investment horizon of several years to reflect an entire economic cycle. To exercise the voting rights in the interests of the shareholders and other stakeholders in the company.

2. Investment universe

The investment universe primarily comprises securities that are part of the index stated in the informative notice issued to the investors and are not included in the exclusion criteria specified in the said notice.

3. Investment policy

The subfund invests at least two thirds of its total assets in equities of companies which are registered in or carry out the greater part of their activity in North America. It can invest up to one third of its total assets in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract. In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivative financial instruments is not permitted, except for foreign exchange contracts; these are permitted for the short-term hedging of the currency exposure when securities are bought or sold in a currency other than the subfund's reference currency.

5. Portfolio construction

The selection of securities in the portfolio results from an optimisation based on assessments of the sustainability (environmental, social and governance) and financial status of the companies. The optimisation process seeks to increase the long-term potential of the portfolio by investing in companies that enjoy the best environmental, social and governance (ESG) ratings in each sector. The portfolio may not include companies that are the subject of significant controversy in respect of sustainability.

6. Environmental, social and governance (ESG) assessment

An ESG score is allocated to each company analysed. The score ranks the company in terms of sustainability compared with its competitors in the same sector of activity. It also takes into account the type of activity conducted by the company and the ESG considerations applicable to that sector.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

8. Exercising voting rights

In principle, shareholders' voting rights are systematically exercised. The objective is to cast the votes in such a way as to increase the long-term value of the company for its shareholders, as well as for the other stakeholders. Voting positions are defined according to voting guidelines based on the codes of good practice relating to corporate governance, and on the concept of sustainability.

9. Fees, commissions and costs

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company:
  "EX" units: maximum 0.925%
- Annual commission payable to the custodian bank:
  maximum 0.05%
- Overall, the commissions charged annually may in no circumstances
  exceed 0.95% p.a.

ANNEX 5

"EQUITIES NORTH AMERICA" subfund

1. Objectives

To manage a portfolio of equities of companies which are registered in or carry out the greater part of their activity in North America, while complying with environmental, social and governance (ESG) criteria on the one hand, and financial criteria on the other. Performance figures are compared with those of the benchmark index, taking into account an investment horizon of several years to reflect an entire economic cycle. To exercise the voting rights in the interests of the shareholders and other stakeholders in the company.

2. Investment universe

The investment universe primarily comprises securities that are part of the index stated in the informative notice issued to the investors and are not included in the exclusion criteria specified in the said notice.

3. Investment policy

The subfund invests at least two thirds of its total assets in equities of companies which are registered in or carry out the greater part of their activity in North America. It can invest up to one third of its total assets in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract. In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivative financial instruments is not permitted, except for foreign exchange contracts; these are permitted for the short-term hedging of the currency exposure when securities are bought or sold in a currency other than the subfund's reference currency.

5. Portfolio construction

The selection of securities in the portfolio results from an optimisation based on assessments of the sustainability (environmental, social and governance) and financial status of the companies. The optimisation process seeks to increase the long-term potential of the portfolio by investing in companies that enjoy the best environmental, social and governance (ESG) ratings in each sector. The portfolio may not include companies that are the subject of significant controversy in respect of sustainability.

6. Environmental, social and governance (ESG) assessment

An ESG score is allocated to each company analysed. The score ranks the company in terms of sustainability compared with its competitors in the same sector of activity. It also takes into account the type of activity conducted by the company and the ESG considerations applicable to that sector.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

8. Exercising voting rights

In principle, shareholders' voting rights are systematically exercised. The objective is to cast the votes in such a way as to increase the long-term value of the company for its shareholders, as well as for the other stakeholders. Voting positions are defined according to voting guidelines based on the codes of good practice relating to corporate governance, and on the concept of sustainability.

9. Fees, commissions and costs

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company: "E" units: maximum 0.925%
- Annual commission payable to the custodian bank: maximum 0.05%
- Overall, the commissions charged annually may in no circumstances exceed 0.95% p.a.

ANNEX 6

"EQUITIES PACIFIC" subfund

1. Objectives

To manage a portfolio of equities of companies which are registered in or carry out the greater part of their activity in the countries of the Pacific region that are included in the subfund's benchmark index, while complying with environmental, social and governance (ESG) criteria on the one hand, and financial criteria on the other. Performance figures are compared with those of the benchmark index, taking into account an investment horizon of several years to reflect an entire economic cycle. To exercise the voting rights in the interests of the shareholders and other stakeholders in the company.

2. Investment universe

The investment universe primarily comprises securities that are part of the index stated in the informative notice issued to the investors and are not included in the exclusion criteria specified in the said notice.

3. Investment policy

The subfund invests at least two thirds of its total assets in equities of companies which are registered in or carry out the greater part of their activity in the countries of the Pacific region that are included in the subfund's benchmark index. It can invest up to one third of its total assets in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract. In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivative financial instruments is not permitted, except for foreign exchange contracts; these are permitted for the short-term hedging of the currency exposure when securities are bought or sold in a currency other than the subfund's reference currency.

5. Portfolio construction

The selection of securities in the portfolio results from an optimisation based on assessments of the sustainability (environmental, social and governance) and financial status of the companies. The optimisation process seeks to increase the long-term potential of the portfolio by investing in companies that enjoy the best environmental, social and governance (ESG) ratings in each sector. The portfolio may not include companies that are the subject of significant controversy in respect of sustainability.

6. Environmental, social and governance (ESG) assessment

An ESG score is allocated to each company analysed. The score ranks the company in terms of sustainability compared with its competitors in the same sector of activity. It also takes into account the type of activity conducted by the company and the ESG considerations applicable to that sector.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

8. Exercising voting rights

In principle, shareholders' voting rights are systematically exercised. The objective is to cast the votes in such a way as to increase the long-term value of the company for its shareholders, as well as for the other stakeholders. Voting positions are defined according to voting guidelines based on the codes of good practice relating to corporate governance, and on the concept of sustainability.

9. Fees, commissions and costs

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company:
  "E" units: maximum 0.925%
- Annual commission payable to the custodian bank:
  maximum 0.05%
- Overall, the commissions charged annually may in no circumstances exceed 0.95% p.a.

ANNEX 7

"EQUITIES WORLD EX CH (RPF)" subfund

1. Objectives

To manage a portfolio of equities of companies which are registered in or carry out the greater part of their activity anywhere in the world, with the exception of Switzerland, while complying with environmental, social and governance (ESG) criteria on the one hand, and financial criteria on the other. Performance figures are compared with those of the benchmark index, taking into account an investment horizon of several years to reflect an entire economic cycle. To exercise the voting rights in the interests of the shareholders and other stakeholders in the company.

2. Investment universe

The investment universe primarily comprises securities that are part of the index stated in the informative notice issued to the investors and are not included in the exclusion criteria specified in the said notice.

3. Investment policy

The subfund invests at least two thirds of its total assets in equities of companies which are registered in or carry out the greater part of their activity anywhere in the world, with the exception of Switzerland. It can invest up to one third of its total assets in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract. In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivative financial instruments is not permitted, except for foreign exchange contracts; these are permitted for the short-term hedging of the currency exposure when securities are bought or sold in a currency other than the subfund's reference currency.

5. Portfolio construction

The selection of securities in the portfolio results from an optimisation based on assessments of the sustainability (environmental, social and governance) and financial status of the companies. The optimisation process seeks to increase the long-term potential of the portfolio by investing in companies that enjoy the best environmental, social and governance (ESG) ratings in each sector. The portfolio may not include companies that are the subject of significant controversy in respect of sustainability.

6. Environmental, social and governance (ESG) assessment

An ESG score is allocated to each company analysed. The score ranks the company in terms of sustainability compared with its competitors in the same sector of activity. It also takes into account the type of activity conducted by the company and the ESG considerations applicable to that sector.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

8. Exercising voting rights

In principle, shareholders' voting rights are systematically exercised. The objective is to cast the votes in such a way as to increase the long-term value of the company for its shareholders, as well as for the other stakeholders. Voting positions are defined according to voting guidelines based on the codes of good practice relating to corporate governance, and on the concept of sustainability.

9. Fees, commissions and costs

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company:
  "EX" units: maximum 0.925%
- Annual commission payable to the custodian bank:
  maximum 0.05%
- Overall, the commissions charged annually may in no circumstances exceed 0.95% p.a.

ANNEX 8

"BONDS CHF" subfund

1. Objectives

To manage a portfolio of bonds denominated in Swiss francs while taking account of financial management criteria on the one hand and the environmental, social and governance (ESG) analysis of the borrowers on the other. Performance figures are compared with those of the benchmark index, taking into account an investment horizon of several years to reflect an entire economic cycle.

2. Investment universe

The investment universe consists of bonds issued by the Confederation, the cantons, the main cities and central mortgage-bond institutions of Switzerland, as well as borrowers that are "Sovereign States and Public Authorities", "Supranational Institutions", and "Companies", whose activities are not listed in the exclusion criteria specified in these guidelines. The subfund does not invest in convertible bonds.

3. Investment policy

The subfund invests at least two thirds of its total assets in bonds denominated in Swiss francs. It can invest up to one third of its total assets in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract.

In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivative instruments is not permitted.

5. Portfolio construction

The financial portfolio is the result of selecting securities in compliance with an optimal risk/return profile, sound diversification and sufficient liquidity.

6. Environmental, social and governance (ESG) assessment of borrowers

An ESG score is allocated to each borrower other than the Confederation, the cantons, the main cities and the central mortgage-bond institutions of Switzerland.

The other **"Sovereign States and Public Authorities"** borrowers are assessed on their "human and social capital" and their "environmental capital".

The **"Supranational Institutions"** borrowers are assessed on their statutory aims, the means by which they achieve their objectives, and the results obtained.

An ESG score is allocated to each **"Companies"** borrower. The score ranks the company in terms of sustainability compared with its competitors in the same sector of activity. It also takes into account the type of activity conducted by the company and the ESG considerations applicable to that sector.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

8. **Fees, commissions and costs**

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company:
  "E" units: maximum 0.275%
- Annual commission payable to the custodian bank:
  maximum 0.05%
- Overall, the commissions charged annually may in no circumstances
  exceed 0.30% p.a.

ANNEX 9

"BONDS INTERNATIONAL" subfund

1. Objectives

To manage a portfolio of international bonds (ex Switzerland) while taking account of financial management criteria on the one hand and the environmental, social and governance (ESG) analysis of the borrowers on the other. Performance figures are compared with those of the benchmark index stated in the informative notice issued to the investors, taking into account an investment horizon of several years to reflect an entire economic cycle.

2. Investment universe

The subfund invests mostly in a diversified portfolio of bonds, but excluding convertible bonds, and other debt claims issued or guaranteed by “Sovereign States and Public Authorities” of developed or emerging countries, or by “Supranational Institutions”, with no restrictions imposed as to the choice of currency in which the securities are denominated.

Emerging countries are defined as those which, at the time of investment, are considered by the International Monetary Fund (IMF), the World Bank, the International Finance Corporation (IFC) or one of the leading investment banks to be developing countries undergoing the process of industrialisation

3. Investment policy

The subfund invests at least two thirds of its total assets in international bonds (ex Switzerland). It can invest up to one third in money market instruments. It can also invest up to 10% of its total assets in one or more investment funds that comply with the provisions of this fund contract.

In all other respects, the investments comply with the limits and restrictions set forth in the general principles of the fund contract relating to the fund.

4. Derivatives

The use of derivatives is only authorised for the purposes of active portfolio management (adjusting duration, positioning on the yield curve and adjusting currency exposures). Those derivatives that are allowed are the following: interest-rate futures, interest-rate options, forward currency contracts, non-deliverable forward currency contracts and currency options. In the case of interest-rate futures and options, the maximum authorised level is 25% of the subfund’s assets. As far as currency options are concerned, the sum total of nominal liabilities must be less than 15% of the subfund’s assets.

Building synthetic exposure to a country’s debt through swaps is not permitted.

5. Portfolio construction

The asset manager will select securities on the basis of a fundamentals-led approach, taking the main macroeconomic indicators (gross domestic product, population, debt, etc.) into account.

6. Environmental, social and governance (ESG) assessment of borrowers

The **"Sovereign States and Public Authorities"** borrowers are assessed on their "human and social capital", their "environmental capital" and their governance.

The **"Supranational Institutions"** borrowers are assessed on their statutory aims, the means by which they achieve their objectives, and the results obtained.

7. Risk control

Risk control is carried out at the level of overall risk. The latter presents a margin of deviation compared with the benchmark index calculated ex ante (prospective tracking error).

The subfund is subject to risks inherent in all forms of investment, in particular:

- risks specific to a given market;
- fluctuations in exchange rates;
- movements in interest rates.

The value of investments refers to ongoing market values. Depending on general financial-market movements and how securities in the subfund's portfolio are performing, the value of assets can be prone to considerable swings. The risk of this value dropping for a lengthy period cannot be ruled out. There is no guarantee investors will recoup all of the capital invested, earn a specific level of income or be able to sell back units at a fixed price to the fund management company.

Investors' attention is, however, drawn to the fact that purchasing derivatives does entail certain risks that might exert a negative impact on the subfund's performance.

8. Fees, commissions and costs

The commissions mentioned in § 20 are set as follows:

- Annual commission payable to the fund management company:
  "E" units: maximum 0.475%
- Annual commission payable to the custodian bank:
  maximum 0.05%.
- Overall, the commissions charged annually may in no circumstances
  exceed 0.50% p.a.

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INFORMATIVE NOTICE

March 2014

Name of investment fund	Ethos
Category	Swiss-registered umbrella fund of the "Other traditional securities funds" type, aimed at qualified investors within the meaning of CISA, Art. 10, paras. 3 and 4. The fund contract was approved by the Swiss Financial Market Supervisory Authority (FINMA) on 18 August 2006 and amended most recently following FINMA's decision on 28 February 2014.
Fund management company	Pictet Funds SA, Route des Acacias 60, 1211 Geneva 73
Custodian bank	Banque Pictet & Cie SA, Route des Acacias 60, 1211 Geneva 73
Auditor	PricewaterhouseCoopers SA
Delegated management	Management of the fund's assets falls under the competence of the fund management company which has delegated decision-making relating to investments, together with other tasks, to Pictet Asset Management SA (PAM SA) to ensure efficient management. Under this arrangement, the choice of asset managers for the various subfunds has been delegated to Ethos Services SA.
Exercising voting rights	In principle, the fund will exercise the voting rights attached to the securities held by the fund. The fund will take advice from Ethos Services SA, or any other entity controlled by the latter, in order to determine how it should exercise its voting rights.
Eligible investors	The units are reserved for investors who: a) are qualified investors within the meaning of CISA, Art. 10, paras. 3 and 4; b) declare their identity by name to Banque Pictet & Cie SA (the fund's custodian bank) or FundPartner Solutions (Europe) SA, Luxembourg, (transfer agent), and permit this identity to be passed to Ethos Services SA, Ethos – Swiss Foundation for Sustainable Development and Pictet Funds SA. The above-mentioned terms and conditions are cumulative. Information passed by Banque Pictet & Cie SA or Pictet & Cie (Europe) SA to Ethos Services SA, Ethos – Swiss Foundation for Sustainable

Development and Pictet Funds SA are treated in strictest confidentiality.

Investor eligibility for the

- Ethos – Equities North America (RPF)
- Ethos – Equities World ex CH (RPF)

subfunds is restricted to Swiss retirement benefits institutions within the meaning of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG) that are exempted from taxation at source by the United States of America in respect of income from securities under the terms of the Double Taxation Agreement between the Swiss Confederation and the United States of America. As such, those institutions wishing to invest in these subfunds must provide the following documents:

- the W-8BEN form, duly completed and signed;
- an affidavit from the institution's auditors confirming that they are eligible to benefit under the provisions of the above-mentioned Convention.

Subfunds

Ethos – Equities CH indexed, Corporate Governance:
The subfund invests most of its assets in shares of companies which are registered in or carry out the greater part of their activity in Switzerland and which are included in the benchmark index. Membership rights are actively exercised in order to improve the corporate governance of the subfund. The subfund can, however, invest up to one-third of its assets in money-market instruments. It can also invest up to a maximum of 10% of its assets in investment funds that comply with the provisions of the fund contract.

The benchmark index is the Swiss Performance Index (SPI), with gross dividends reinvested.

The issuer that exceeds the 20% threshold within the meaning of §16, prov. 3, of the fund contract is Nestlé SA.

Ethos – Equities Europe ex CH:
The subfund invests at least two-thirds of its assets in shares of companies which are registered in or carry out the greater part of their activity in Europe, except Switzerland, and which are included in the benchmark index. The subfund can invest up to a maximum of one-third of its assets in money-market instruments. It can also invest up to a maximum of 10% of its assets in investment funds that comply with the provisions of the fund contract.

The benchmark index is the Morgan Stanley Capital International (MSCI) Europe ex Switzerland, in Swiss francs, with net dividends reinvested.

Ethos – Equities Europe ex CH indexed, Corporate Governance:
The subfund invests its assets exclusively in shares of companies

which are registered in or carry out the greater part of their activity in countries included in the subfund's benchmark index (which excludes Switzerland) and which are themselves included in the benchmark index. Membership rights are actively exercised in order to improve the corporate governance of the subfund. The subfund can, however, invest up to one-third of its assets in money-market instruments. It can also invest up to a maximum of 10% of its assets in investment funds that comply with the provisions of the fund contract.

The benchmark index is the Morgan Stanley Capital International (MSCI) Europe ex Switzerland, in Swiss francs, with net dividends reinvested.

Ethos – Equities North America (RPF):
The subfund invests at least two thirds of its assets in shares of companies which are registered in or carry out the greater part of their activity in North America that are included in the subfund's benchmark index. The subfund can invest up to a maximum of one-third of its assets in money-market instruments. It can also invest up to a maximum of 10% of its assets in investment funds that comply with the provisions of the fund contract.

The benchmark index is the Morgan Stanley Capital International (MSCI) North America, in Swiss francs, with net dividends reinvested.

Ethos – Equities North America:
The subfund invests at least two thirds of its assets in shares of companies which are registered in or carry out the greater part of their activity in North America that are included in the subfund's benchmark index. The subfund can invest up to a maximum of one-third of its assets in money-market instruments. It can also invest up to a maximum of 10% of its assets in investment funds that comply with the provisions of the fund contract.

The benchmark index is the Morgan Stanley Capital International (MSCI) North America, in Swiss francs, with net dividends reinvested.

Ethos – Equities Pacific:
The subfund invests at least two-thirds of its assets in shares of companies which are registered in or carry out the greater part of their activity in countries of the Pacific region and which are included in the subfund's benchmark index. The subfund can invest up to a maximum of one-third of its assets in money-market instruments. It can also invest up to a maximum of 10% of its assets in investment funds that comply with the provisions of the fund contract.

The benchmark index is the Morgan Stanley Capital International (MSCI) Pacific, in Swiss francs, with net dividends reinvested.

Ethos – Equities World ex CH (RPF):
The subfund invests at least two-thirds of its assets in shares of companies which are registered in or carry out the greater part of their activity anywhere in the world, excluding Switzerland, and which are

included in the subfund's benchmark index. The subfund can invest up to a maximum of one-third of its assets in money-market instruments. It can also invest up to 10% of its assets in one or more investment funds that comply with the provisions of this fund contract.

The benchmark index is the Morgan Stanley Capital International (MSCI) World ex Switzerland, in Swiss francs, with net dividends reinvested.

Ethos – Bonds CHF:
The subfund invests at least two-thirds of its assets in bonds denominated in Swiss francs. The subfund can invest up to a maximum of one-third of its assets in money-market instruments. It can also invest up to a maximum of 10% of its assets in investment funds that comply with the provisions of the fund contract.

The benchmark index is the Swiss Bond Index Total AAA-BBB, Total Return.

Ethos – Bonds International:
The subfund invests at least two-thirds of its assets in international bonds (ex Switzerland). The subfund can invest up to a maximum of one-third of its assets in money-market instruments. It can also invest up to a maximum of 10% of its assets in investment funds that comply with the provisions of the fund contract.

The benchmark index is the Citigroup World Government Bond Index –Total Return, in Swiss francs.

Unit classes and security numbers

The unit classes currently available are the following:

"E" units are available to investors who fulfil both of the following conditions:

a) they are qualified investors within the meaning of CISA, Art. 10, paras. 3 and 4 (cf. § 5.1).

b) they permit their identity to be passed by their custodian bank to Banque Pictet & Cie SA (the fund's custodian bank) or FundPartner Solutions (Europe) SA, Luxembourg, (transfer agent), and permit this identity to be passed to Ethos Services SA, Ethos – Swiss Foundation for Sustainable Development and Pictet Funds SA.

   If this identity may not be transmitted as described above, the investors must confirm in writing to their custodian bank that:

   i. they are Swiss residents,

ii. they are not "US persons[1]" within the meaning of the applicable legislation,
iii. they have fulfilled their tax obligations,
iv. they authorise the transmission of this information by their custodian bank to FundPartner Solutions (Europe) SA, Luxembourg, Ethos Services SA, Pictet Funds SA and Ethos – Swiss Foundation for Sustainable Development.

FundPartner Solutions (Europe) SA, Luxembourg

"EX" units are available to investors who fulfil both of the following conditions:

a) Investor eligibility for these subfunds is restricted to Swiss retirement benefits institutions within the meaning of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG) that are exempted from taxation at source by the United States of America in respect of income from securities under the terms of the Double Taxation Agreement between the Swiss Confederation and the United States of America.

b) Investors in these subfunds must, at the time of the initial subscription, have provided Banque Pictet & Cie SA (the fund's custodian bank), Pictet Funds SA (fund management company) or FundPartner Solutions (Europe) SA, Luxembourg, (transfer agent), with original tax documents (normally "W-8BEN" or "W-8EXP" forms) demonstrating that they fulfil the conditions for tax exemption and must agree to their identity being transmitted to another entity of the Pictet Group, Ethos Services SA and Ethos – Swiss Foundation for Sustainable Development. On the basis of these documents and any other documentary evidence they may require, the fund management company or the transfer agent may, at their discretion, decide to authorise an investment in these subfunds.

c) If the investor is unable to provide the required documents, or if the fund's custodian bank, the fund management company or the transfer agent determine that the investor no longer fulfils the necessary prerequisites for participation in this unit class, the latter's units will be subject to a forced redemption in accordance with § 5, prov. 7, of the fund contract. The fund management company reserves the right to require the investor concerned to make good any losses that may have been caused to the subfund through the provision by this investor of inaccurate, incomplete, erroneous or out-of-date information or

[1] The term "United States person" or "US person" means, pursuant to Title 26 of the United States Code ("USC") §7701 30: (a) a citizen or resident of the United States, (b) a domestic partnership, (c) a domestic corporation, (d) any estate (other than a foreign estate, within the meaning of paragraph 31 of the USC), (e) any trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and (ii) one or more United States persons have the authority to control all substantial decisions of the trust.

documents, or through the investor's failure to supply updated information and documents following a change in circumstances, and which led the fund management company or the transfer agent to authorise or continue to authorise this investor's investment in these subfunds.

Sub-funds:

Ethos – Equities CH indexed, Corporate Governance:
E unit: ISIN CH0023568071, Securities No. 002356807
Ethos – Equities Europe ex CH:
E unit: ISIN CH0023568139, Securities No. 002356813
Ethos – Equities Europe ex CH indexed, Corporate Governance:
E unit: ISIN CH0023568246, Securities No. 002356824
Ethos – Equities North America (RPF):
EX unit: ISIN CH0044128327, Securities No. 004412832
Ethos – Equities North America:
E unit: ISIN CH0023568287, Securities No. 002356828
Ethos – Equities Pacific:
E unit: ISIN CH0026795473, Securities No. 002679547
Ethos – Equities World ex CH (RPF):
EX unit: ISIN CH0023568337, Securities No. 002356833
Ethos – Bonds CHF:
E unit: ISIN CH0023568386, Securities No. 002356838
Ethos – Bonds International:
E unit: ISIN CH0023568436, Securities No. 002356843

Publication of issue and redemption prices or the NAV

The fund management company shall publish daily both the issue and redemption prices or the net asset value (NAV), accompanied by the indication "Excluding commissions", for all unit classes whenever units are issued or redeemed in the *Le Temps* and *Neue Zürcher Zeitung* newspapers and on the Swiss Fund Data AG website (swissfunddata.ch), and, at most, in three other newspapers and electronic information media of its choice.

Financial year

1 January to 31 December.

Accounting currency

The accounting currency of all the subfunds is the Swiss franc (CHF)

Operation of the IT system and calculation of the net asset value (NAV)

The calculation of the NAV of the fund is delegated to Pictet & Cie (Europe) SA in Luxembourg. The specific terms and conditions of the execution of the mandate are set forth in a contract between the fund management company and Pictet & Cie (Europe) SA, which took effect on 30 September 2003. Pictet & Cie (Europe) SA is recognised for its experience in handling the administrative tasks related to collective investment vehicles.

Delegation of the processing

The processing of subscription and redemption orders is delegated to

of subscription and redemption orders

FundPartner Solutions (Europe) SA, Luxembourg. The specific terms and conditions of the execution of the mandate are set forth in a contract between the fund management company, Banque Pictet & Cie SA, and Pictet & Cie (Europe) SA, which took effect on 9 March 2007. Pictet & Cie (Europe) SA is recognised for its experience in handling the administrative tasks related to collective investment vehicles.

Even though subscription and redemption orders are processed in Luxembourg, investors' attention is drawn to the fact that they should continue to send their subscription and redemption orders to Switzerland, either via Pictet Funds SA's authorised collective investment distributors, or, in the case of those investors who have an account with Banque Pictet & Cie SA, via Banque Pictet & Cie SA.

In order to comply with Luxembourg regulatory requirements, investors are hereby informed that Pictet & Cie (Europe) SA may have to send investors’ personal data, as communicated upon subscription, to other Pictet Group entities for processing, but that such entities are subject to an equivalent degree of confidentiality.

The investors agree to identify themselves by name and to supply the necessary information to prove that they fulfil the subscription or redemption conditions. Checking this information may, in some cases, entail a delay in accepting the subscription or redemption order.

Appropriation of net income/dividend

The net income of each subfund is distributed annually per unit class to investors within four months, at the latest, of the end of the financial year, in Swiss francs. If the investor does not request payment, the net dividend is automatically reinvested in fund units, provided that the amount distributed is sufficient.

The fund management company may make additional interim distributions from the income.

Up to 20% of the net income of a unit class may be carried forward to the new account. If the net income in a financial year including income carried forward from previous financial years is less than CHF1.00 per unit, a distribution may be waived and the entire net income may be carried forward.

Capital gains realised from the sale of assets and rights may be distributed by the fund management company or retained for reinvestment.

Issue and redemption of units

For all subfunds, with the exception of the Ethos – Equities Pacific subfund:

Subscription and redemption requests sent to the custodian bank by 12 noon at the latest on a bank business day (day when the order was placed) are calculated on the following bank business day (valuation day) based on the net asset value calculated on that day. The net asset value taken as the basis for settlement of the order is thus not yet known at the time when the order is placed (forward pricing). It is calculated on the valuation day based on the closing prices on the day the order was placed.

In the case of the Ethos – Equities North America (RPF) and Ethos – Equities World ex CH (RPF) subfunds, subscription and redemption requests will only be executed if proof of eligibility to the class of unit is provided before noon on the day when the order is placed. If that does not happen, the request is placed 'on hold' and will be executed once the proof has been received.

For the Ethos – Equities Pacific subfund:

Subscription and redemption requests sent to the custodian bank by 12.00 noon at the latest on a bank business day (day when the order was placed) are calculated on the next but one bank business day (valuation day) based on the net asset value calculated on the preceding day. The net asset value taken as the basis for settlement of the order is thus not yet known at the time when the order is placed (forward pricing). It is calculated on the valuation day based on the closing prices on the day after the day the order was placed.

Incidental costs

At the time of issuance, any additional fees (brokerage fees in compliance with the market, commissions, other fees, etc.) incurred by the subfund in connection with investing the amount paid shall be added to the net asset value.

At the time of redemption, the incidental costs incurred by the subfund in connection with the sale of the redeemed unit shall be deducted from the net asset value.

Subfund:
Ethos – Equities CH indexed, Corporate Governance: 5bp
Ethos – Equities Europe ex CH: 33.5bp on purchase; 10bp on sale
Ethos – Equities Europe ex CH indexed, Corporate Governance: 38.5bp on purchase; 15bp on sale
1. Ethos – Equities North America (RPF): 10bp
Ethos – Equities North America: 10bp
Ethos – Equities Pacific: 10bp
Ethos – Equities World ex CH (RPF): 16bp on purchase; 10bp on sale
Ethos – Bonds CHF: 15bp
Ethos – Bonds International: 30bp

These incidental costs are not levied when units are subscribed to or redeemed in kind.

Fees and commissions

Fixed in accordance with Article 20 of the fund contract and in the Annex relevant to each subfund.

- For administration, management and marketing: 1% max. annually
- Custodian bank: 0.05% max. annually
- Payment of liquidation proceeds in the event the subfund is dissolved: 0.5% max. from the asset value of the units.

The fund management company may pay retrocessions to the following institutional investors holding fund units on behalf of third parties for business purposes:

- life insurance companies;
- pension funds and other occupational pension insurance institutions;
- foundations;
- Swiss fund management companies;
- foreign fund managers and fund companies;
- investment companies.

The fund management company does not pay out portfolio commission fees.

Issuers and guarantors as per §16 of the fund contract

The following issuers or guarantors are acceptable:

- OECD member states;
- the African Development Bank;
- the Asian Development Bank;
- the European Investment Bank;
- Eurofima;
- the Inter-American Development Bank;
- the European Bank for Reconstruction and Development;
- the Council of Europe;
- the European Union;
- the International Finance Corporation;
- the Nordic Investment Bank;
- the World Bank;
- the central banks of OECD member states.

Exclusion criteria

Companies that generate over 5% of their turnover or revenues in a sector of the economy regarded as sensitive are excluded from subfunds. Sectors of the economy regarded as sensitive are: arms, nuclear energy, tobacco, gambling or pornography. Agribusiness companies actively promoting genetically modified organisms (GMOs) have been temporarily suspended for investment purposes as a precautionary measure.