

Credit Suisse Funds AG

iShares ETF II (CH)

Umbrella Fund under Swiss Law of the "Other Funds for Traditional Investments" Type

Prospectus with Integrated Fund Contract

June 2013

Distribution in Switzerland and Liechtenstein

Part 1: Prospectus

This prospectus with integrated fund contract, the simplified prospectus and the most recent annual or semi-annual report (if published after the latest annual report) serve as the basis for all subscriptions of units in the subfunds.

Only the information contained in the prospectus, the simplified prospectus or in the fund contract will be deemed to be valid.

1 Information on the Umbrella Fund and the Subfunds**1.1 General Information on the Umbrella Fund and the Subfunds**

iShares ETF II (CH) is an umbrella fund under Swiss law of the "Other funds for traditional investments" type which was established under the Swiss Collective Investment Schemes Act (CISA) of June 23, 2006 and is divided into the following subfunds:

- a) iShares Gold (CH)
- b) iShares Gold CHF Hedged (CH)
- c) iShares Gold EUR Hedged (CH)

The fund contract was drawn up by Credit Suisse Funds AG, Zurich, as fund management company and with the agreement of Credit Suisse AG, Zurich, as custodian bank, and submitted to the Swiss Financial Market Supervisory Authority ("FINMA"). The fund contract was first approved by FINMA on August 30, 2009.

The subfunds are based upon a collective investment agreement (fund contract), under which the fund management company undertakes to provide the investor with a stake in the corresponding subfund in proportion to the units acquired by the said investor, and to manage these subfunds in accordance with the provisions of the law and the fund contract. The custodian bank is party to the fund contract in accordance with the tasks conferred upon it by the law and the fund contract.

Investors are only entitled to the assets and income of the subfund in which they have invested. Liabilities that are attributable to an individual subfund will be borne solely by the said subfund.

In accordance with the fund contract, the fund management company is entitled to establish, liquidate or merge unit classes for each subfund at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

The subfunds are not currently divided into unit classes. Only a distribution-type unit class exists ("A"); however, owing to the economic characteristics of the precious metal and the fact that fees and costs are incurred on an ongoing basis, actual distributions should not be expected.

1.2 Listing of the Subfunds on SIX Swiss Exchange Ltd

The subfunds' units are listed according to the collective investment schemes standard of SIX Swiss Exchange Ltd ("SIX Swiss Exchange") and are thus also referred to as exchange traded funds ("ETF"). The Admission Board of SIX Swiss Exchange has approved the listing request. Trading in the fund units on SIX Swiss Exchange is conducted in the accounting unit of the subfund in question.

Trading in units of the subfund units on SIX Swiss Exchange will commence on October 6, 2009.

This prospectus serves as a listing prospectus for the listing of the units of the subfunds on SIX Swiss Exchange. As fund management company, Credit Suisse Funds AG, Sihlcity – Kalandergasse 4, CH-8070 Zurich, is responsible for the contents of this prospectus. To the best of our knowledge and belief, we confirm that all information is correct and that no significant aspects have been omitted.

The listing of the units on SIX Swiss Exchange is aimed at providing investors with an additional opportunity for the direct subscription/redemption of units from/by the fund management company or its selling agents, and to facilitate the purchase and sale of the units on a liquid, regulated secondary market, i.e. via the stock exchange. Details regarding the purchase of units on the primary or secondary market are explained later in prov. 5.2.

The net asset value of one unit of the respective subfund at the time of listing corresponded approximately to one-tenth of an ounce (oz.) of gold.

The companies used by the fund management company as market makers for trading in units of the individual subfunds are listed on the SIX Swiss Exchange website.

It is possible that further market makers will be appointed in the future. Any other market makers will be disclosed to FINMA. A market maker is responsible for maintaining a market for the traded fund units and, in this connection, for entering bid and ask prices for the subfunds' units in the SIX Swiss Exchange trading system.

FINMA has obliged the fund management company to ensure that the spread between the relevant net asset value per unit (calculated on the basis of the net asset value per unit and adjusted to reflect trading-induced changes in the prices of securities included in the benchmark index, i.e. intraday net asset value) and the price at which investors can buy and sell units on SIX Swiss Exchange is reduced to a reasonable level. Under a cooperation agreement between the fund management company on the one hand and the market makers on the other, the latter are obliged, within a certain framework and under normal market conditions, to maintain a market for the fund's units on SIX Swiss Exchange. In this connection, they must enter bid and ask prices for fund units in the SIX Swiss Exchange trading system, which, under normal market conditions for ETFs on commodity underlyings have a content of more than 50% of commodities that are traded on the domestic market during the official SIX Swiss Exchange trading hours, a spread of 2% (1% on either side of the intraday net asset value) and, in the case of ETFs on commodity underlyings with a content of more than 50% of commodities that are not traded on the domestic market during the official SIX Swiss Exchange trading hours, do not exceed a spread of 3%. Since gold is generally traded around the clock, the applicable spread is generally 2%. SIX SIS Ltd is responsible for clearing activities.

1.3 Investment Objective, Investment Policy and Investment Restrictions of the Subfunds, and their Use of Derivatives

The investment objective of the subfunds is to match the performance of the respective benchmark as closely as possible, subject to any deviations caused by the fees and incidental costs charged to the assets of the subfund in question.

Detailed information on the investment policy and its restrictions, as well as the permitted investment techniques and instruments (in particular derivative financial instruments and their scope) are contained in the fund contract (cf. Part II, §§ 7–15).

1.3.1 Investment Objective and Investment Policy of the Subfunds**a) iShares Gold (CH)**

The investment objective of the subfund is to match the performance of gold as closely as possible, subject to any deviations caused by the fees and incidental costs charged to the subfund's assets. This subfund invests exclusively in physical gold in marketable form: that is, bars with a standard weight of around 400 ounces (oz.) (about 12.5 kg) and a purity of 995/1,000 or higher. This is subject to any credit or debit balance on a precious metals account amounting to no more than 450 oz. (about 14 kg) of gold. The latter enables maximum holdings below the size of a bar to be exposed to the performance of the gold price. The US dollar is the investment currency for gold. Additional liquid assets may also be held. Liquid assets comprise bank deposits at sight or on demand with maturities of up to twelve months.

iShares Gold (CH) is a subfund of the "Other funds for traditional investments" type.

The primary risks include the concentration of investments. As the subfund in principle invests exclusively in physical gold, risk diversification – a typical feature of securities funds – does not exist in this instance. The income and value of the units are subject to fluctuations arising largely from the fluctuations in income and value of gold. Gold may be subject to substantial fluctuations in market prices. Moreover, it does not normally produce any income. Due to the lack of income and the fact that costs and commissions are nevertheless incurred simultaneously, the quantity of physical gold held per unit of the subfund will tend to decline over the long term. In relation to the bank managing the account, a counterparty risk exists up to the balance of the precious metals account. Although gold is in principle easy to trade, factors such as trading, transportation, customs and fiscal restrictions, as well as other government and non-governmental interventions and events, may have a substantial influence on the price of gold and/or the trading in gold itself.

The gold price used as the benchmark for replication of subfund assets is the London afternoon fixing price. The afternoon fixing is performed by

bank officers recognized in the gold trade who are members of the London Bullion Market Association (LBMA). Its purpose is to define a uniform gold price in US dollars at which the greatest possible number of buy and sell requests can be processed. The current gold price, along with further information, is available at the LBMA website.

b) iShares Gold CHF Hedged (CH)

c) iShares Gold EUR Hedged (CH)

The investment objective of the subfunds is to match the performance of gold as closely as possible, subject to any deviations caused by the fees and incidental costs charged to the assets of the subfund in question. These subfunds invest exclusively in physical gold in marketable form: that is, bars with a standard weight of around 400 oz. (about 12.5 kg) and a purity of 995/1,000 or higher. This is subject to any credit or debit balance on a precious metals account amounting to no more than 450 oz. (about 14 kg) of gold. The latter enables maximum holdings below the size of a bar to be exposed to the performance of the gold price. The US dollar is the investment currency for gold. Additional liquid assets may also be held. Liquid assets comprise bank deposits at sight or on demand with maturities of up to twelve months. All investments not denominated in the currency of the subfund are in addition hedged against such currency as far as possible by means of forward currency transactions.

iShares Gold CHF Hedged (CH) and iShares Gold EUR Hedged(CH) are subfunds of the "Other funds for traditional investments" type.

The primary risks include the concentration of investments. As the subfunds in principle invest exclusively in physical gold, risk diversification – a typical feature of securities funds – does not exist in this instance. The income and value of the units are subject to fluctuations arising largely from the fluctuations in income and value of gold. Gold may be subject to substantial fluctuations in market prices. Moreover, it does not normally produce any income. Due to the lack of income and the fact that costs and commissions are nevertheless incurred simultaneously, the quantity of physical gold held per unit of the subfund will tend to decline over the long term. The foreign currency risk of a trend to depreciation in the investment currencies of the subfund concerned versus the currency of account is extensively reduced through the use of forward currency transactions; however, a full hedge cannot be guaranteed at all times. This hedge also involves ongoing costs. In relation to the bank managing the account, a counterparty risk exists up to the balance of the precious metals account. Although gold is in principle easy to trade, factors such as trading, transportation, customs and fiscal restrictions, as well as other government and non-governmental interventions and events, may have a substantial influence on the price of gold and/or the trading in gold itself.

The gold price used as the benchmark for replication of subfund assets is the London afternoon fixing price. The afternoon fixing is performed by bank officers recognized in the gold trade who are members of the London Bullion Market Association (LBMA). Its purpose is to define a uniform gold price in US dollars at which the greatest possible number of buy and sell requests can be processed. The current gold price, along with further information, is available at the LBMA website.

1.3.2 Investment Restrictions of the Subfunds

Detailed information on the subfunds' investment restrictions can be found in the fund contract (see Part II, § 15).

1.3.3 Use of Derivatives by the Subfunds

The fund management company uses derivatives for efficient management of the subfunds' assets. However, even under extreme market circumstances, these may not result in a deviation from the investment objectives or a change in the investment character of the subfund. Based on the envisaged use of derivatives, all subfunds qualify as "simple funds". The Commitment I approach (simplified process) will be applied for the assessment of risk.

Derivatives are used solely to hedge currency risks.

Only basic forms of derivatives may be used, i.e. call or put options, swaps and futures and forward transactions, as described in more detail in the fund contract (cf. § 12), and only as long as the underlying securities are permitted as investments under the investment policy. The derivative transactions may be concluded on either a stock exchange or another regulated market open to the public, or in OTC (over-the-

counter) trading. In addition to the market risks, derivatives are also subject to counterparty risk, i.e. the risk that the party to the contract fails to meet its obligations and thus causes a financial loss.

Even under extraordinary market circumstances, the use of these instruments may not result in the subfunds' assets being leveraged, neither may they correspond to a short sale.

The subfunds are subject to the usual market fluctuations. Historical performance is no guarantee of the subfunds' future returns.

1.4 Profile of the Typical Investor

The subfunds are suitable for investors with a medium- to long-term horizon who are primarily interested in the development of the respective benchmark index. They must be prepared to see the net asset value of fund units undergo sharp fluctuations and sustained declines. They are aware of the main risks of a precious metal investment (precious metals ETF). Due to the limited risk distribution – that is, risk concentration – in precious metals, the subfunds are in principle suitable only for a limited portion of an individual investor's assets.

1.5 Tax Regulations Relevant to the Subfunds

1.5.1 Switzerland

The umbrella fund and the subfunds have no legal personality in Switzerland. They are not subject to tax on income or capital. Distributions of income made by the subfunds (to investors domiciled in Switzerland and abroad) are subject to Swiss federal withholding tax (source tax) at 35%. Any capital gains paid on a separate coupon are not subject to withholding tax. Owing to the economic characteristics of the precious metal and the fact that fees and costs are incurred on an ongoing basis, actual distributions should not be expected.

The Swiss federal withholding tax deducted from the subfunds' domestic income can be reclaimed in full for the subfunds by the fund management company.

Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application.

Investors domiciled outside Switzerland may reclaim withholding tax under the terms of any double taxation treaty between Switzerland and their country of domicile. If no such treaty exists, then the withholding tax may not be reclaimed.

The issuing and redemption of units in the fund are exempt from stamp duty. The trading of units on the secondary market is subject to stamp duty.

Based on the provisions of the directive issued by the Council of the European Union in respect of the taxation of interest income, and under the terms of the agreement reached between Switzerland and the EU as part of bilateral negotiations, Switzerland is obliged to retain tax on certain interest payments made by investment funds and subfunds, in the case of both distributions of income and the sale or redemption of units of funds and subfunds, in respect of natural persons whose tax domicile is in an EU member state. This tax is retained at 20% (35% from July 1, 2011). Subject to explicit instructions given by the recipient of the interest payment, the recipient may make a voluntary disclosure to the fiscal authorities in their tax domicile instead of being subject to this tax retention.

This tax information is based on the current legal situation and practice in Switzerland. It is subject to changes in legislation, the decisions of the courts, and the decrees and practices of the tax authorities.

Taxation and other tax implications for investors who hold, buy or sell fund units are defined by the tax laws and regulations in the investor's country of domicile. Prospective investors should inform themselves of the laws and regulations applicable at their place of residence to the subscription, purchase, possession and sale of units and, if appropriate, seek advice on these matters.

1.6 Special Disclosure Statement for US Investors with Regard to the Subfund iShares Gold (CH)

The subfund iShares Gold (CH) (referred to in prov. 1.5.2 below, or more correctly hereinafter, as "the Subfund") is not registered under the Investment Company Act of 1940 (as amended) ("Company Act") and the Subfund's units are registered neither under the Securities Act of 1933 (as amended) ("Securities Act") nor under any securities acts of individual states ("Blue Sky Laws"). The units may not be offered or sold in the

United States of America or any state thereof, in the District of Columbia or in territories and possessions of the United States ("United States" or "US") or for the benefit of any US Person except in a transaction where no registration of the Subfund, its units or its management company is required under the applicable US federal or individual state securities laws.

2 Information on the Fund Management Company

2.1 General Information on the Fund Management Company

Credit Suisse Funds AG, Zurich, is responsible for the management of the umbrella fund and subfunds. It has been exclusively active in the fund business since its formation as a limited company in 1984.

The subscribed share capital of the fund management company, which is fully paid up, has stood at CHF 7 million since June 30, 1994. The share capital is divided into registered shares.

Credit Suisse Funds AG is a wholly-owned subsidiary of Credit Suisse AG, Zurich.

Board of Directors

- Dr. Thomas Schmuckli, Chairman
Managing Director, Credit Suisse AG, Zurich
- Luca Diener, Vice-Chairman
Managing Director, Credit Suisse AG, Zurich
- Maurizio Pedrini, member
Managing Director, Credit Suisse AG, Zurich
- Christian Schärer, member
Managing Director, Credit Suisse AG, Zürich
- Lars Kalbreier, member
Managing Director, Credit Suisse AG, Zurich
- Paul H. Arni, member
Managing Director, Credit Suisse AG, Zurich
- Markus Graf, member
CEO, Swiss Prime Site AG, Olten

Senior Management

- Thomas Schärer, CEO
- Petra Reinhard, Deputy CEO
- Michael Bünzli, member, Legal Counsel
- Thomas Federer, member, Performance & Risk Management
- Patrick Tschumper, member, COO
- Thomas Vonaesch, member, Real Estate Fund Management
- Gabriele Wyss, member, Compliance
- Daniel Siepmann, member, Fund Operations

The fund management company manages a total of 198 collective investment schemes in Switzerland (including subfunds); on February 28, 2013, it had assets under management totaling CHF 123,428 million.

Address: Credit Suisse Funds AG,
Sihlcity – Kalandergasse 4,
CH-8070 Zurich

Website: www.credit-suisse.com

2.2 Delegation and sub-delegation of Investment Decisions

Investment decisions in respect of the subfunds have been delegated to BlackRock Advisors (UK) Limited, London which has sub-delegated these investment decisions to Credit Suisse AG, Zurich.

BlackRock Advisors (UK) Limited, London is a subsidiary of BlackRock, Inc. It is authorised and regulated in the UK by the Financial Conduct Authority (the "FCA") to carry on investment management business and as such is subject to FCA rules. BlackRock Advisors (UK) Limited, London, has a number of "passports" granted under the EU Markets in Financial Instruments Directive (2004/39/EC) to conduct investment management related services in a number of European Union countries including Ireland and Luxembourg. BlackRock Advisors (UK) Limited, London, is the investment manager to Irish-domiciled iShares exchange traded funds. Credit Suisse AG, Zurich, is a global financial services company catering to the needs of clients in the areas of private & retail banking, corporate & investment banking, and asset management. It has many years of experience in the fields of institutional asset management and investment advice.

The precise duties involved are laid down in an asset management agreement between the fund management company and BlackRock Advisors (UK) Limited, London and in a sub-investment management agreement between BlackRock Advisors (UK) Limited, London and Credit Suisse AG, Zurich.

2.3 Delegation of Other Specific Tasks

The fund management company has delegated various specific tasks in connection with the administration of the fund to Credit Suisse AG, Zurich. These tasks include the provision of legal and tax advice, management company finances, real estate portfolio management and administration, facility management, human resources, management information system (MIS), project and user support for fund accounting, risk management and investment guideline monitoring.

Further responsibilities may be delegated to Credit Suisse AG, Zurich. Precise details of how its remit is to be fulfilled are laid down in an agreement between the fund management company and Credit Suisse AG, Zurich.

2.4 Exercising of Membership and Creditors' Rights

The fund management company exercises the membership and creditors' rights associated with the investments of the subfunds it manages independently and exclusively in the interests of the investors. The fund management company will, upon request, provide the investors with information on exercising of membership and creditors' rights.

In the case of scheduled routine transactions, the fund management company is free to exercise membership and creditors' rights itself or to delegate their exercise to the custodian bank or a third party.

In the case of all other events that might have a lasting impact on the interests of the investors, such as, in particular, the exercise of membership and creditors' rights the fund management company holds as a shareholder or creditor of the custodian bank or another related legal entity, the fund management company will exercise the voting rights itself or issue explicit instructions. In such cases, it may base its actions on information it receives from the custodian bank, the portfolio manager, the company or from third parties, or on information it learns from the press.

The fund management company is free to waive the exercise of membership and creditors' rights.

3 Information on the Custodian Bank

Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich, acts as the custodian bank. The bank was incorporated in Zurich in 1856 as Schweizerische Kreditanstalt, with the legal form of a joint-stock company.

Credit Suisse AG, a wholly owned subsidiary of Credit Suisse Group, Zurich, is a globally active full-service bank.

The custodian bank may delegate the safekeeping of the assets of the subfunds to third-party custodians and collective securities depositaries in Switzerland or abroad. The custodian bank may only delegate the safekeeping of the investments in physical gold to third-party custodians and collective securities depositaries in Switzerland. In such cases, it is liable for applying due diligence when choosing and instructing the third parties, as well as for monitoring their constant compliance with the selection criteria. The use of third-party custodians and collective securities depositaries means that deposited securities are no longer owned solely by the fund management company, which instead becomes only a co-owner.

4 Information on Third Parties

4.1 Paying Agents

The paying agent is the following bank:

- Credit Suisse AG, Paradeplatz 8, 8001 Zurich, and all its branches in Switzerland.

4.2 Distributors

The following institution has been appointed as selling agent for the subfunds:

- BlackRock Asset Management Schweiz AG, Claridenstrasse 25, 8002 Zürich.

The fund management company is entitled to appoint additional distributors within the meaning of the Collective Investment Schemes Act of June 23, 2006.

4.3 Auditor

KPMG AG, Zurich, has been appointed as the auditor.

5 Further Information

5.1 Key Data

Security number	cf. table at the end of the prospectus
ISIN number	cf. table at the end of the prospectus
Ticker	cf. table at the end of the prospectus
Listing	as per the SIX Swiss Exchange for collective investment schemes
Financial year	June 1 to May 31
Accounting currency	cf. table at the end of the prospectus
Units	Bearer units
Appropriation of income	Distribution. Owing, however, to the economic characteristics of the precious metal and the fact that fees and costs are incurred on an ongoing basis, actual distributions should not be expected.

5.2 Terms for the Issue and Redemption of Subfund Units

Investors have the opportunity to acquire fund units on the primary or secondary market. The primary market is where the units are issued and redeemed by the fund management company or its selling agents. The conditions described in prov. 5.2.1 apply in this regard. On the secondary market, the units are bought or sold via the exchange pursuant to the conditions described in prov. 5.2.2.

5.2.1 Acquisition and Redemption of Subfund Units on the Primary Market

Subfund units will be issued and redeemed on every bank working day (Monday to Friday). No issues or redemptions will take place on Swiss public holidays (Easter, Whitsun, Christmas, New Year, 1 August, etc.), or on days when precious metal trading in London is closed, or under the exceptional circumstances defined under § 17 prov. 4 of the fund contract.

Subscription and redemption orders received by the custodian bank by the time stated in the table at the end of the prospectus on a given bank working day (order day) will be settled on the next bank working day (valuation day) on the basis of the net asset value calculated on this day. The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing). It is calculated on the valuation day on the basis of the closing prices on the order day.

The net asset value of a unit of a subfund is determined by the market value of that subfund's assets, minus all that subfund's liabilities, divided by the number of units of that subfund in circulation. The net asset value shall be rounded up or down to four places after the decimal point of the unit of account.

The issue price is calculated as follows: The net asset value calculated on the valuation date plus the incidental costs (standard brokerage fees, commissions, taxes, handling fees incurred in connection with the investment in physical gold, etc.) incurred on average by the subfund concerned in connection with the investment of that portion of investments corresponding to the amount paid in, plus the issuing commission. The issuing commission is defined under prov. 5.3 below.

The redemption price corresponds to the net asset value calculated on the valuation day, minus the incidental costs (standard brokerage fees, commissions, taxes, handling fees incurred in connection with the investment in physical gold, etc.) incurred on average by the subfund concerned in connection with the sale of that portion of investments corresponding to the amount sold, plus the redemption commission. The redemption commission is defined under prov. 5.3 below.

Incidental costs (standard brokerage charges, commissions, fees, processing charges connected with investments in physical gold, taxes, etc.) incurred by the subfund in connection with the investment of the amount paid in, or with the sale of that portion of investments

corresponding to the redeemed unit(s), will be charged to the assets of the corresponding subfund.

The issue and redemption prices are rounded up or down to four places after the decimal point of the unit of account. Payment will be made two bank working days after the valuation day (value date 2 days), subject to the applicable provisions for transfers of assets in kind (cf. prov. 5.2.2). Units will not take the form of actual certificates but will exist purely as book entries.

The management company and the custodian bank may, within the scope of their sales activities, refuse purchase applications, as well as suspend or limit the sale, distribution or transfer of units to individuals or corporate bodies in particular countries or areas.

5.2.2 Transfer of Assets in Kind

Investors in units of all the currently issued unit classes of the **iShares Gold (CH)** subfund are entitled to request that gold to be delivered to them/booked to their account ("transfer of assets in kind") instead of payment of the cash redemption price calculated as per prov. 5.2.1 less the commission payable as per § 19 prov. 5 of the fund contract plus any other costs ("redemption amount"). This is subject, however, to any monetary policy-related or other measures taken by government authorities that prohibit the delivery of physical gold or complicate it in such a way that the custodian bank cannot reasonably be expected to proceed with a transfer of assets in kind. It is possible that unit classes will also be created and launched in the future for which there is no entitlement to a delivery or booking in gold.

The entitlement, in the appropriate unit classes, to a transfer of assets in kind is basically limited to a standard unit of 1 bar of approx. 400 ounces (oz.) (approx. 12.5 kg) of the customary purity (995/1,000) or higher as per the types of assets set forth in § 8 prov. 3 of the fund contract. There shall be no obligation to comply with a request for a transfer of assets in kind if the redemption amount does not correspond to the number of units deliverable or if a minimum of one standard unit of gold is not available to cover this amount.

The request for a transfer of assets in kind is to be submitted to the custodian bank together with the redemption request. Delivery shall be in the aforementioned standard units of 1 bar of approx. 400 ounces (oz.) (approx. 12.5 kg) of customary purity (995/1000) or higher within a maximum of 10 bank working days, currently at the registered office of the custodian bank in Zurich, with delivery at the branch or address designated from case to case by the custodian bank ("place of performance"). In this case, transfer of ownership shall be deemed to take place at the time of delivery at the place of performance. Depending on the manner in which the request for transfer in kind is settled, a counterparty risk may arise for the custodian bank.

No value added tax is incurred for the delivery of standard units of gold.

The expenses charged for the delivery of gold are subject to value added tax at the currently applicable rate. No deliveries are made outside of Switzerland.

The entitlement to the transfer of assets in kind shall also apply for the eligible unit classes in the event of liquidation of the subfund or umbrella fund. This right, however, is limited to the gold currently held by the individual subfunds.

The fund management company shall prepare a report in which the assets transferred are itemized and which shows their market value on the transfer date, the number of units transferred in return, and any settlement of fractions in cash. With each transfer of assets in kind, the custodian bank shall verify compliance by the fund management company with its fiduciary obligations as well as the valuation of the assets transferred and of the units returned as at the cutoff date as per § 18 prov. 1 e) of this fund contract. The custodian bank shall immediately report any reservations or complaints to the auditors. Transfers of assets in kind must be itemized in the annual report.

Should an investor wish to make use of the option of an asset transfer in kind, all information that may be required for the transaction (e.g. client account number, client identity) must be disclosed between the bank concerned, the custodian bank and the fund management company, depending on where the account is held. By issuing his/her request for a transfer of assets in kind, the investor must authorize this disclosure. Otherwise the request may be rejected.

5.2.3 Acquisition and Redemption of Units on the Secondary Market

In contrast to subscriptions and redemptions on the primary market, the issuing and redemption commissions set out in § 19 of the fund contract do not apply to the purchase and sale of Fund units via the exchange. Investors need only bear the customary stock exchange fees for such transactions.

Such transactions are conducted in a similar way to the purchase or sale of shares via SIX Swiss Exchange. The purchase and sale of units takes place at current market prices. The investor therefore enjoys substantially greater flexibility in terms of pricing than is the case with the purchase or redemption of units through the fund management company or its selling agents.

As with the purchase of equities, a limit may also be imposed on buy and sell orders (limited orders).

If the SIX Swiss Exchange – the exchange on which the units are listed – is closed, no trading in the units shall take place.

5.3 Fees and Incidental Costs

Details on the fees and incidental costs for each subfund are set out in the table at the end of the prospectus.

The following applies to all subfunds:

Information on the management and custodian bank fees actually charged can be found in the annual and semi-annual reports.

The fund management company may pay reimbursements from the distribution component to the following institutional investors who, from the commercial perspective, hold the fund units for third parties:

- life insurance companies
- pension funds and other retirement provision institutions
- investment foundations
- Swiss fund management companies and providers
- foreign fund management companies and providers
- investment companies

The fund management company may also pay trailer fees from the distribution component to the following selling agents and sales partners:

- authorized distributors
- fund management companies, banks, securities dealers, Swiss Post and insurance companies
- distributors who place fund units exclusively with institutional investors that have professional treasury facilities
- asset managers.

Total Expense Ratio and Portfolio Turnover Rate

The coefficient of the total costs charged to the subfunds' assets on an ongoing basis (total expense ratio, TER) was: cf. table at the end of the prospectus.

The portfolio turnover rate (PTR) was: cf. table at the end of the prospectus.

Fee-Sharing Agreements and Non-Pecuniary Benefits ("Soft Commissions")

The fund management company has not concluded any fee-sharing agreements or agreements in respect of "soft commissions".

5.4 Publication of Official Notices by the Umbrella Fund and Subfunds

Further information on the umbrella fund and the subfunds may be found in the latest annual or semi-annual report. The latest information can also be found on the Internet at www.ishares.com.

The prospectus with integrated fund contract, the simplified prospectus and the annual or semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and all selling agents.

In the event of a change to the fund contract, a change in the fund management company or the custodian bank or the dissolution of the subfunds, the corresponding notice will be published by the fund management company in the Schweizerisches Handelsamtsblatt and on the electronic Swiss Fund Data platform (www.swissfunddata.ch).

Prices are published daily on the electronic Swiss Fund Data platform (www.swissfunddata.ch) and possibly also in other Swiss and international newspapers and electronic media.

5.5 Information Regarding Distribution Abroad

at October 2, 2009, the subfunds of the umbrella fund were admitted for sale in the following additional country/countries:

- Principality of Liechtenstein

The fund management company may at any time apply for the fund to be admitted for distribution in other countries.

Information Regarding Distribution in the Principality of Liechtenstein

The Representative and Paying Agent in the Principality of Liechtenstein is LGT Bank in Liechtenstein AG, Herrengasse 12, FL-9490 Vaduz.

The prospectus and fund contract, as well as annual and semi-annual reports in German, are obtainable free of charge from the Representative and Paying Agent in Liechtenstein.

Notifications and changes to the fund contract and prospectus, a change of fund management company or custodian bank, as well as the liquidation of a subfund shall be published in the Liechtensteiner Vaterland.

Prices (issue and redemption prices of subfund units) are published on the electronic Swiss Fund Data platform (www.swissfunddata.ch) each day that units are issued or redeemed. At least twice a month, prices are published in the "Liechtensteiner Vaterland".

The place of performance and jurisdiction is Vaduz.

5.6 Sales Restrictions

With respect to the issue and redemption of units of the subfunds outside Switzerland, the regulations valid in the country in question apply.

- a) The subfunds listed in section 5.5 have been admitted for sale in the following countries:
 - Principality of Liechtenstein.
- b) Units of the subfunds may not be offered, sold or delivered within the United States.

Investors who are United States citizens or are subject to US income tax are advised to consult a tax advisor before purchasing units of the subfunds.

5.7 Detailed Regulations

All further information on the umbrella fund and subfunds, such as the method used for the valuation of the subfunds' assets, a list of all fees and incidental costs charged to the investor and the subfunds, and the appropriation of net income, can be found in detail in the fund contract.

Summary of the Subfunds and Unit Classes

Subfund	Unit classes	Security number	ISIN number	Ticker	Accounting currency	Max. issue / redemption commission charged to the investors ¹⁾	Max. commission for transfer of assets in kind ²⁾	Max. management fee charged to the subfund ⁶⁾	Max. custody bank fee charged to the subfund	Max. issue / redemption charges (i) in USD per ounce (oz.) and, additionally, (ii) in CHF per bar ³⁾	Valuation date (days as of subscription / redemption)	Value date (days as of valuation)	Deadline for daily subscription and redemption of fund units (CET)	Min. investment / min. holding	Delegation / sub-delegation of investment decisions for subfunds	Total expense ratio (TER)			Portfolio turnover rate (PTR)		
																31.05.09	31.05.10	31.05.11	31.05.09	31.05.10	31.05.11
iShares Gold (CH)	A	10413623	CH0104136236	CSGOLD	USD	5.0% / 3.0% ⁴⁾	0.10%	0.50%	0.20%	(i) 1.00 / 1.00 (ii) 20 / 20 ³⁾	1	2 ⁷⁾	3 p.m. / 12 p.m. ⁸⁾	none	BlackRock Advisors (UK) Limited, London / Credit Suisse AG, Zurich	-	0.33%	0.33%	-	0.37%	-1.34%
iShares Gold CHF Hedged (CH)	A	10413628	CH0104136285	CSGLDC	CHF	5.0% / 3.0%	n/a	0.50%	0.20%	i) 1.00 / 1.00 ii) 20 / 20	1	2	3 p.m.	none	BlackRock Advisors (UK) Limited, London / Credit Suisse AG, Zurich	-	0.41%	0.39%	-	21.65%	44.51%
iShares Gold EUR Hedged (CH)	A	10413631	CH0104136319	CSGLDE	EUR	5.0% / 3.0%	n/a	0.50%	0.20%	i) 1.00 / 1.00 ii) 20 / 20	1	2	3 p.m.	none	BlackRock Advisors (UK) Limited, London / Credit Suisse AG, Zurich	-	0.42%	0.41%	-	26.46%	53.80%

¹⁾ Fees and incidental costs charged to the investor (excerpt from § 19 of the fund contract): issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad; redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad.

²⁾ Incidental costs accruing to the subfund's assets on average in connection with the investment of the amount paid in or with the sale of investments (§ 17 prov. 2 of the fund contract): in the case of unit issues: added to the net asset value: in each case based on the applicable rate, currently max. USD 1.00 per ounce (oz.) and, additionally, CHF 20 per bar; in the case of unit redemptions: deducted from the net asset value: in each case based on the applicable rate, currently max. USD 1.00 per ounce (oz.) and, additionally, CHF 20 per bar.

³⁾ With transfers of assets in kind, redemption commission of CHF 20 per bar is currently payable, subject to a minimum of CHF 150 per transfer.

⁴⁾ With transfers of assets in kind, no redemption commission is currently payable to the fund management company.

⁵⁾ In accordance with § 19 prov. 5 of the fund contract, a separate commission is charged to the investors for transfers of assets in kind.

⁶⁾ Fees and incidental costs charged to the subfunds' assets (excerpt from § 20 of the fund contract): management commission payable to the management company for the management, administration and sale of the subfunds. The costs and commissions set out in § 20 of the fund contract may additionally be charged to the subfund.

⁷⁾ Where assets are transferred in kind, gold is delivered or deposited within a maximum of 10 bank working days.

⁸⁾ With transfers of assets in kind, the daily cutoff point for redemptions of fund units has been fixed at 12.00 noon so that orders can be entered by the custodian bank by 3 p.m. at the latest.

Part 2: Fund Contract

I. Basic Principles

§ 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 "Other funds for traditional investments" type has been established under the name of iShares ETF II (CH) ("umbrella fund") in accordance with Art. 25 et seq. in conjunction with Art. 68 et seq. in conjunction with Art. 92 et seq. of the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 (CISA). The umbrella fund is split into the following subfunds:

- a) iShares Gold (CH)
- b) iShares Gold CHF Hedged (CH)
- c) iShares Gold EUR Hedged (CH)

- 2. The fund management company is Credit Suisse Funds AG, Zurich.
- 3. The custodian bank is Credit Suisse AG, Zurich.

II. Rights and Obligations of the Parties to the Contract

§ 2 The Fund Contract

The legal relationship between the investor on the one hand and the fund management company and the custodian bank on the other shall be governed by the present fund contract and the applicable provisions of the 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 assets 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. They act independently and exclusively in the interests of the investors. They implement the organizational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information on the umbrella fund and 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 shall commission only persons who are qualified to execute the task properly, and shall ensure the provision of instructions as well as monitoring and controlling in respect of the tasks. The fund management company shall be liable for the actions of its agents as if they were its own actions.
- 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 (cf. § 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 § 25 and can dissolve the umbrella fund or the individual subfunds pursuant to § 26.
- 6. 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 The Custodian Bank

- 1. The custodian bank is responsible for the safekeeping of the subfunds' assets. It handles the issue and redemption of fund units as well as payments 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

organizational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information on the umbrella fund and subfunds.

- 3. The custodian bank may delegate the safekeeping of the assets of the subfunds to third-party custodians and collective securities depositaries in Switzerland or abroad. The custodian bank may only delegate the safekeeping of the investments in physical gold to third-party custodians and collective securities depositaries in Switzerland. It is liable for applying due diligence when choosing and instructing the third parties, as well as for monitoring the constant compliance with the selection criteria. The prospectus contains information on the risks involved.
- 4. The custodian bank ensures that the fund management company complies with the law and the fund contract. It checks whether the calculation of the net asset value 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 whether the income is appropriated in accordance with the fund contract. The custodian bank is not responsible for the choice of investments which the fund management company makes 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 The Investor

- 1. On concluding the contract and making a payment in cash, the investor acquires a claim against the fund management company in respect 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.
- 2. Investors are obliged only to remit payment for the units of the subfund they subscribe. They shall not be held personally liable for the liabilities of the subfund. Investors are entitled to participate in the assets and income of only that subfund in which they hold units. Liabilities that are attributable to an individual subfund will be borne solely by the said subfund.
- 3. 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 on specific business transactions effected by the fund management company, such as the exercising of membership and creditors' 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 the investors with a report.
- 4. The investors may terminate the fund contract on any day and demand that their share in the corresponding subfund be paid out in cash. Investors of the subfund **iShares Gold (CH)** may submit a request for gold to be delivered to them/booked to their account ("transfer of assets in kind"). The details are laid down in § 18.
- 5. 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 laid down in the law or the fund contract in respect of participation in a subfund or in a unit class. Furthermore, they are obliged to inform the fund management company, the custodian bank and their agents immediately once they no longer meet these prerequisites.
- 6. 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, specifically to combat money laundering;
 - b) the investor no longer meets the statutory or contractual requirements for participation in a subfund.

7. 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 or a subfund in Switzerland or abroad;
 - b) investors have acquired or hold their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, of the present fund contract or the prospectus;
 - 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 subfunds' 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 embody an entitlement to a share in the undivided assets of the subfund concerned, which are not segmented. This share may differ due to class-specific costs or distributions or due to class-specific earnings, and the various classes may therefore have different net asset values per unit. Class-specific costs are covered by the assets of the subfund as a whole.
2. Notification of the establishment, dissolution or merger of unit classes shall be published in the media of publication. Only mergers shall be deemed a change to the fund contract pursuant to § 27.
3. The various unit classes 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 and investor eligibility. Fees and costs are only charged to the unit class for which the respective service is performed. Fees and costs that cannot be unequivocally allocated to a unit class shall be charged to the individual unit classes on a pro rata basis in relation to their share of the subfund's assets.
4. The subfunds are not currently divided into unit classes. Only a distribution-type unit class exists ("A"); however, owing to the economic characteristics of the precious metal and the fact that fees and costs are incurred on an ongoing basis, actual distributions should not be expected.
5. Units will not take the form of actual certificates but will 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 § 17, transferred to a person who does meet the aforementioned prerequisites, or switched into units of another unit class 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 same subfund or, should this not be possible, enforce the redemption of the units in question pursuant to § 5 prov. 6.

III. Investment Policy Guidelines

A Investment Principles

§ 7 Compliance with Investment Regulations

1. In selecting individual investments of 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 expiry of the subscription period (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 § 12 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.

§ 8 Investment Policy

1. Within the framework of the specific investment policy of each subfund pursuant to prov. 3, the fund management company may invest the assets of the individual subfunds in the following investments (the risks of which must be disclosed in the prospectus):

- a) Precious metals (physical and in book form).
- b) Derivatives, provided (i) the underlying instruments are derivatives pursuant to section b), financial indices, interest rates, exchange rates or currencies, and (ii) the underlying instruments are permitted as investments under the fund contract. Derivatives are either traded on an exchange or other regulated market open to the public, or are traded OTC. Investments in derivatives traded OTC (OTC transactions) are only permitted if (i) the counterparty is a regulated financial intermediary specializing 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 shall be possible for them to be valued in a reliable and transparent manner. Derivatives may be used pursuant to § 12.
- c) Sight and time deposits with maturities of up to twelve months at banks which have their registered office in Switzerland or a member state of the European Union or in another state, provided the bank is subject to regulatory requirements which are equivalent to those of Switzerland.
- d) Investments other than those specified in a) to c) above up to a total of 10% of the assets of an individual subfund. The following are not permitted: (i) investments in precious metals certificates, commodities and commodity certificates as well as (ii) short-selling of investments in accordance with a) and b) above.

2. The investment objective and investment policy of the subfunds is to replicate their respective benchmark as closely as possible, subject to any deviations caused by the fees and incidental costs charged to the assets of the subfund in question. Investment objectives of the individual subfunds:

a) iShares Gold (CH)

The investment objective and investment policy of the subfund is to match the performance of gold as closely as possible, subject to any deviations caused by the fees and incidental costs charged to the assets of the subfund in question.

b) iShares Gold CHF Hedged (CH)

c) iShares Gold EUR Hedged (CH)

The investment objective and investment policy of the subfunds is to match the performance of gold as closely as possible, subject to any deviations caused by the fees and incidental costs charged to the assets of the subfund in question. All investments not denominated in the currency of the subfund are in addition hedged against such currency as far as possible by means of forward currency transactions.

3. Investment Policy of the Subfunds:

a) iShares Gold (CH)

The fund management company

- aa) invests the assets of the subfund, after deduction of liquid assets and subject to bb), exclusively in physical gold in marketable form: that is, in bars with a standard weight of around 400 oz. (around 12.5 kg) and a purity of 995/1,000 or higher, whereby the US dollar is the investment currency for gold;bb)may hold up to 450 oz. (about 14 kg) of gold in book form as a credit or debit balance (in a precious metals account). The US dollar is the investment currency for gold;
- cc) does not invest the subfund's assets in units of other collective investment schemes (target funds).

b) iShares Gold CHF Hedged (CH)**c) iShares Gold EUR Hedged (CH)**

The fund management company

- aa) invests the assets of these subfunds, after deduction of liquid assets and subject to bb) and cc) exclusively in physical gold in marketable form: that is, in bars with a standard weight of around 400 oz. (about 12.5 kg) and a purity of 995/1,000 or higher, whereby the US dollar is the investment currency for gold;
- bb) may hold up to 4,50 oz. (about 14 kg) of gold in book form as a credit or debit balance (in a precious metals account). The US dollar is the investment currency for gold;
- cc) invests in derivatives on exchange rates and currencies;
- dd) does not invest the assets of these subfunds in units of other collective investment schemes (target funds).

§ 9 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 for the subfund concerned are permitted, but as a minimum in USD, CHF, EUR, and GBP. Liquid assets comprise bank deposits as well as claims from repurchase agreements at sight or on demand with maturities up to twelve months.

B Investment Techniques and Instruments**§ 10 Precious Metals Lending**

The fund management company does not enter into lending transactions in the respective precious metals.

§ 11 Securities Repurchase Agreements

The fund management company does not enter into securities repurchase agreements ("repos").

§ 12 Derivatives

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

The collective investment schemes legislation envisages three risk assessment processes for the use of derivatives: the Commitment Approaches I and II for "simple funds" and the model approach combined with stress tests for "complex funds".

Commitment Approach I is a simplified process and its defining characteristic is that the use of derivatives may not have a leverage effect on the assets of a subfund or correspond to short selling. Commitment Approach II is an extended process. Both leverage and short selling are permitted. Thus the overall exposure to derivatives may be up to 100% of a subfund's net assets and the total exposure of a subfund in the category "Other funds for traditional investments" may therefore be up to 200% of its net assets (even 225% if borrowing is taken into account). In the case of the model approach, the risk 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. Stress tests are also to be carried out on a periodic basis.

2. Based on the envisaged use of derivatives, all subfunds of this umbrella fund qualify as "simple funds". For the assessment of risk, Commitment Approach I shall be applied. The use of derivatives therefore does not result in a leverage effect on the subfunds' assets, nor does it correspond to short selling.

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

3. 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) Swaps whose payments are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent manner;
 - c) Future and forward transactions whose value is linearly dependent on the value of the underlying.
4. The financial effect of the derivatives is similar to either a sale (exposure-reducing derivative) or a purchase (exposure-increasing derivative) of an underlying security.
5. a) In the case of exposure-reducing derivatives, the arising obligations subject to sections b) and d) must be covered at all times by the underlyings of the derivative.
- b) Cover with investments other than the underlyings shall be 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;
 - sufficiently well correlated with these investments.
- c) The fund management company must have unrestricted access to these underlyings or investments at all times. Underlyings or investments may be used to cover several exposure-reducing derivative positions at the same time if they 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.
6. 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 (provided one 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.
7. The fund management company may use both standardized and non-standardized derivatives. It may conclude transactions in derivative financial instruments on an exchange or another regulated market open to the public or in OTC (over-the-counter) trading.
8. a) The fund management company may conclude OTC transactions only with regulated financial intermediaries specialized in such types of transactions that ensure proper execution of the contract. If the counterparty is not the custodian bank, the former 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 reliably and verifiably value an OTC derivative 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 recognized in practice, 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 favorable offer be accepted, under due consideration of the price, credit rating, risk distribution and the range of services offered by the counterparties. The conclusion of the transaction and pricing shall be clearly documented.
9. In respect of compliance with the statutory and contractual investment restrictions (maximum and minimum limits), derivatives shall be taken into account in accordance with the legislation on collective investment schemes.
10. The prospectus contains further information on:
- the importance of derivatives as part of the investment strategy;

- the effect of the use of derivatives on the risk profile of the respective subfund;
- the counterparty risks of derivatives.

§ 13 Taking Up and Extending Loans

1. The fund management company may not grant loans for the subfunds' account.
2. The fund management company may for each subfund temporarily borrow the equivalent of up to 25% of the net assets of said subfund.

§ 14 Encumbrance of the Subfunds' Assets

1. No more than 60% of any subfund's net assets may be pledged or ownership thereof transferred as collateral by the fund management company at the expense of the subfund concerned.
2. The subfunds' assets may not be encumbered with guarantees.

C Investment Restrictions

§ 15 Risk Diversification

1. The regulations on risk diversification pursuant to § 15 shall include the following:
 - a) investments as per § 8;
 - b) liquid assets as per § 9;
 - c) derivative financial instruments pursuant to § 12, 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;
 - d) claims against counterparties arising from OTC transactions. The regulations on risk distribution apply to each subfund individually.
2. Companies which are classified as a group under international accounting rules shall be regarded as one issuer.
3. In relation to the holding of liquid assets pursuant to § 9, the fund management company may not invest more than 20% of a subfund's total assets in sight and time deposits with a single bank.
4. The fund management company may invest up to a maximum of 5% of the 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 shall be increased to 10% of the assets of the subfund concerned.
5. Investments, deposits and claims as per provs. 3 to 5 above and issued by the same issuer/borrower must not in overall terms exceed 20% of the assets of a subfund.

IV. Calculation of the Net Asset Value and Issue and Redemption of Units

§ 16 Calculation of the Net Asset Value

1. The net asset value of each subfund is calculated in the accounting unit of the respective subfund at the market value as of the end of the financial year and for each day on which units are issued or redeemed. The subfund's assets will not be calculated on days when precious metal trading in London is closed (e.g. bank and stock exchange holidays).
2. Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. The value of precious metal is calculated in London on the basis of end-of-day fixings for precious metals trading. Other investments or investments for which no current market value is available shall be 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 shall use appropriate and recognized valuation models and principles to determine the market value.
3. 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.

4. The net asset value of a unit of a subfund is determined by the market value of that subfund's assets, minus all that subfund's liabilities, divided by the number of units of that subfund in circulation. It will be rounded to four places after the decimal point of the unit of account.

§ 17 Issue and Redemption of Units

1. Subscription and redemption orders for units are accepted up to a certain cut-off time specified in the prospectus on the day the orders are placed. The definitive price of the units for the issues and redemptions is determined at the earliest on the bank working day following the day the order is placed (valuation day). This is referred to as "forward pricing". Details are set out in the prospectus.
2. The issue and redemption price of units is based on the net asset value per unit on the valuation day calculated on the basis of the closing prices pursuant to § 16. Incidental costs (standard brokerage charges, fees, taxes, handling fees for physical gold investments, etc.) incurred by a subfund in connection with the investment of the amount paid in, or with the sale of a redeemed portion of investments corresponding to the unit, will be charged to the assets of the corresponding subfund. In the case of unit issues, the incidental costs (standard brokerage fees, commissions, taxes, handling fees for physical gold investments, etc.) incurred on average by the subfund concerned in connection with the investment of that portion of investments corresponding to the amount paid in will be added to the net asset value. In the case of unit redemptions, the incidental costs (standard brokerage fees, commissions, taxes, handling fees for physical gold investments, etc.) incurred on average by the subfund concerned in connection with the sale of that portion of investments corresponding to the redeemed unit(s) will be deducted from the net asset value. 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.
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 if:
 - a) if a market which is the basis for the valuation of a significant proportion of the assets of the subfund concerned 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 subfund 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 of this subfund.
5. The fund management company shall immediately apprise the auditors and the supervisory authority of any decision to suspend redemptions.
6. The issue of units of a subfund shall be suspended for as long as the redemption of units of this subfund is delayed on the grounds referred to under prov. 4 a) to c).

§ 18 Payment by Transfer of Assets In Kind instead of Cash

1. a) Investors in units of the iShares Gold (CH) subfund are entitled – provided they hold classes of units for which corresponding provisions are contained in the Prospectus – to submit a request for the redemption price calculated as per § 17 prov. 2 less the commission payable as per § 19 prov. 5 plus any other costs ("redemption amount") to be delivered to them/booked to their account in the form of gold ("transfer of assets in kind") instead of payment of the cash redemption price calculated as per § 17 prov. 2. This is subject, however, to any monetary policy-related or other measures taken by government authorities that prohibit the delivery of physical gold for the specific subfund or complicate it in such a way

- that the custodian bank cannot reasonably be expected to proceed with a transfer of assets in kind. The entitlement, in the appropriate unit classes, to a transfer of assets in kind is basically limited to a standard unit of 1 bar of approx. 400 ounces (oz.) (approx. 12.5 kg) of purity 995/1,000 or higher as per the types of assets set forth in § 8 prov. 3 of the fund contract. There shall be no obligation to comply with a request for a transfer of assets in kind if the redemption amount does not correspond to the number of units deliverable or if a minimum of one standard unit of gold is not available to cover this amount.
- b) The investors in question must submit their request for a transfer of assets in kind to the custodian bank together with the request for the redemption of their fund units.
 - c) The place of delivery of the gold is specified in the Prospectus. It must be located in Switzerland. If an investor prefers the gold to be delivered at another location, he/she must submit a corresponding request to the custodian bank together with the redemption request. The custodian bank is not obligated to comply with such a request. Should the transfer take place at a location other than that specified in the prospectus, the additional costs (transport, insurance, etc.) and any associated taxes payable shall be invoiced to the investor in addition to the commission as per § 19 prov. 5. No deliveries are made outside of Switzerland.
 - d) For transfers of assets in kind, the fund management company produces a report itemizing the individual assets transferred, the market value of these assets at the time of transfer, the number of units redeemed in exchange, and a possible settlement of fractions in cash.
 - e) With each transfer of assets in kind, the custodian bank shall verify compliance by the fund management company with its fiduciary obligations as well as the valuation of the assets transferred and of the units returned as at the cutoff date. The custodian bank shall immediately report any reservations or complaints to the auditors.
 - f) Transfers of assets in kind must be itemized in the annual report.
2. Regarding the entitlement of investors with units of the corresponding unit classes to the transfer of assets in kind in the event of liquidation, please see § 26 prov. 6.
 3. The entitlement to the transfer of assets in kind is limited to the gold currently held by the subfund.
 4. The fund management company and the custodian bank are not obligated to comply with a request for a transfer of assets in kind if the investor does not agree with the terms of said request whereby information required for the transaction (especially regarding the client's relationship with the custodian bank or third-party banks) must be disclosed between the bank concerned, the custodian bank and the fund management company, depending on where the account is held.

V. Fees and Incidental Costs

§ 19 Fees and Incidental Costs Charged to the Investor

1. In the case of unit issues, investors will be charged an issuing fee of 5% of the net asset value, such fees accruing to the fund management company. This also applies to individual subscriptions made as part of any kind of fund investment program; in such cases, no additional costs incurred for individual installments may be charged. The applicable rate is stated in the prospectus and simplified prospectus.
2. On the redemption of fund units, investors will be charged a redemption commission accruing to the fund management company of 3% of the net asset value. This also applies to redemptions made as part of any kind of fund investment program; in such cases, no additional costs incurred for individual withdrawals may be charged. Where payment is made by a transfer of assets in kind instead of cash as per § 18, the fund management company may partly or fully waive payment of the redemption commission payable to the fund management company. The applicable rate is stated in the prospectus and simplified prospectus.
3. On the issue and redemption of fund units, the fund management company additionally charges, in favor of the corresponding subfund, the ancillary costs incurred on average by the subfund on investment of the amount paid in or arising from the sale of that portion of the assets which correspond to the unit redeemed (cf. § 17, prov. 2). The applicable rate is stated in the prospectus and simplified prospectus.
4. For the distribution of liquidation proceeds in the event of the subfund's dissolution, investors may be charged a commission of 0.5% of the net asset value of their units.
5. Where payment is made by a transfer of assets in kind instead of cash as per § 18, a commission is payable to the fund management company equivalent to a maximum of 0.10% of the standard unit of 1 bar of approx. 400 ounces (oz.) (approx. 12.5 kg) of purity 995/1,000 or higher plus value added tax at the currently applicable rate. Other costs (minting, delivery, insurance, deduction for difference in purity, etc.) plus value added tax at the currently applicable rate may be charged to the investor as incurred. This commission and other possible costs are due when the assets are actually delivered and are taken into account when the redemption amount as per § 18 prov. 1 is calculated.

§ 20 Fees and Incidental Costs Charged to the Subfunds' Assets

1. For the administration, asset management and distribution of the subfunds, the fund management company shall charge the subfunds an annual fee of up to 0.50% p.a. of the subfunds' net asset value (management fee). This fee shall be charged to the subfund at the beginning of each month on the basis of the subfund's average net assets in the preceding month.
If the fund management company makes reimbursements to investors and/or provides remuneration to selling agents, this shall also be disclosed.
The rate of the management fee actually charged shall be stated in the annual and semi-annual reports.
2. For the safekeeping of the subfund's assets, handling of the subfund's payment transactions and performance of the custodian bank's other tasks listed under § 4, the custodian bank shall charge the subfund a custodian bank fee of up to 0.20% p.a. of the subfund's net asset value. This fee shall be charged to the subfund at the beginning of each month on the basis of the subfund's average net assets in the preceding month.
The rate of the custodian bank fee actually charged is stated in the annual and semi-annual reports.
3. Furthermore, the fund management company and the custodian bank shall be 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 of the annual and semi-annual reports;
 - publishing prices (including costs of feeding prices into electronic media and price transmission systems) and notices to investors;
 - fees charged by the auditor for regular auditing of the fund;
 - costs incurred for extraordinary actions undertaken in the interests of the investors, in particular the cost of legal and tax advice.
4. The respective subfund shall also bear all incidental costs for the purchase and sale of investments (standard brokerage fees, commissions, taxes, handling fees for physical gold investments, etc.) incurred in the management of the subfunds' assets. These costs will either be offset directly against the stated acquisition or saleable value of the respective investments or will be billed separately.
5. The following costs may also be charged to the assets of the subfunds:
 - all fees and costs for licenses in favor of the subfunds (in particular for the use of indices).
 - fees and expenses incurred in connection with the listing and admission for trading of the units in Switzerland and abroad and maintenance of this listing.

VI. Financial Statements and Audits**§ 21 Financial Statements**

1. The accounting currencies of the individual subfunds are set out in the table at the end of the prospectus.
2. The financial year runs from June 1 until May 31 of the following year. The initial financial year of the subfunds runs from the date of their launch until May 31, 2010.
3. The fund management company shall publish an audited annual report for the umbrella fund and subfunds respectively within four months of the end of the financial year.
4. The fund management company shall publish a semi-annual report for the umbrella fund and subfunds respectively within two months following the end of the first half of the financial year.
5. The investor's right to obtain information under § 5 prov. 3 is reserved.

§ 22 Audits

The auditors shall each year 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 shall contain a short report by the auditors on the published annual financial statements.

VII. Appropriation of Net Income**§ 23**

1. The net income of the individual subfunds shall be distributed annually to the investors within four months of the end of the financial year of the respective subfund's unit of account. The fund management company may make additional interim distributions from the income.
Owing to the economic characteristics of the precious metal and the fact that fees and costs are incurred on an ongoing basis, actual distributions should not be expected.
Up to 30% of the net income of a distribution-type subfund 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 1% of the net assets of a subfund and less than CHF 1, USD 1, EUR 1 or JPY 100 per unit (depending on reference currency), a distribution may be waived and the entire net income may be carried forward to the new account.
2. Capital gains realized on the sale of assets and rights can be distributed by the fund management company or retained for the purpose of reinvestment.

VIII. Publication of Official Notices by the Umbrella Fund and Subfunds**§ 24**

1. The media of publication of the umbrella fund and subfunds are deemed to be the print media or electronic media specified in the prospectus. Notification of any change in a medium of publication shall be published in the media of publication.
2. The following information shall in particular be published in the media of publication: summaries of material amendments to the fund contract, indicating the offices from which the amended wording may be obtained free of charge, any change of fund management company and/or custodian bank, the creation, dissolution or merger of unit classes, as well as the liquidation of the umbrella fund or of the subfunds. Amendments that are required by law that do not affect the rights of investors or are of an exclusively formal nature may be exempted from the duty to publish 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 "excluding commissions" in the media of publication specified in the prospectus. The prices shall be published at least twice per month. The weeks and weekdays on which publications are made shall also be specified in the prospectus.
4. The prospectus including the fund contract, the simplified prospectus and also the annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and all selling agents.

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 – as of the time of the merger – the assets and liabilities of the subfund(s) or fund(s) being acquired to the acquiring subfund or fund. The investors of the subfund(s) or fund(s) being acquired shall receive the corresponding number of units in the acquiring subfund or fund. The subfund(s) or fund(s) being acquired is/are terminated without liquidation when the merger takes place, and the fund contract of the acquiring subfund or fund shall also apply for the subfund(s) or fund(s) 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:
 - the investment policy, risk diversification, as well as the risks associated with the investment
 - the appropriation of net income and capital gains
 - the type, amount and calculation of all fees, 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 funds or subfunds or to the investors
 - the redemption conditions
 - the duration of the contract and the conditions of dissolution;
 - d) the assets of the funds concerned are valued, the exchange ratio is calculated, and the assets and liabilities are acquired on the same day;
 - e) no costs shall arise as a result for either the funds 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 in respect of the units of the funds or subfunds involved.
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 publication of the intended changes to the fund contract. The merger schedule must contain information on the reasons for the merger, the investment policies of the funds or subfunds involved and any differences between the acquiring fund or subfund and the fund(s) or subfund(s) being acquired, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the funds or subfunds, as well as a statement from the statutory CISA auditors.
5. The fund management company must publish a notice of the proposed changes to the fund contract pursuant to § 24 prov. 2 and the proposed merger and its timing together with the merger schedule at least two months before the planned date of merger in the media of publication of the subfunds or funds involved. In this notice, it must inform the investors that they may lodge objections against the proposed changes to the fund contract with the supervisory authority within 30 days of the last publication of the notice, or request redemption of their units.
6. The auditors must check directly that the merger is being carried out correctly, and shall submit a report containing their comments in this regard to the fund management company and the supervisory authority.
7. The fund management company shall inform the supervisory authority of the conclusion of the merger and shall publish notification of the completion of the merger, the confirmation from the auditors regarding the proper execution of the merger and the exchange ratio without delay in the media of publication of the funds or subfunds involved.
8. The fund management company must make reference to the merger in the next annual report of the acquiring fund or subfund and in the semi-annual report if published prior to the annual report. 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.

Date of approval of the fund contract by the Swiss Financial Market Supervisory Authority: 21 June 2013.

§ 26 Duration of the Subfunds and Dissolution

1. The individual subfunds have been established for an indefinite period.
2. The fund management company or the custodian bank may dissolve some or all of the subfunds by terminating the fund contract without notice.
3. The subfund 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 it does not have net assets of at least 5 million Swiss francs (or the equivalent).
4. The fund management company shall inform the supervisory authority of the dissolution immediately and shall publish notification in the media of publication.
5. Once the fund contract has been terminated, the fund management company may liquidate the subfund forthwith. If the supervisory authority has ordered the dissolution of the subfund, it must be liquidated forthwith. The custodian bank is responsible for the payment of liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in installments. Prior to the final payment, the fund management company must obtain authorization from the supervisory authority.
6. The provisions in § 18 regarding transfers of assets in kind shall also apply, *mutatis mutandis*, in the event of liquidation. Investors in the corresponding unit classes who wish to have their liquidation proceeds transferred to them in the form of gold must submit a corresponding request to the custodian bank. This request must be received by the custodian bank not later than 15 bank working days in Zurich after the date on which the liquidation of the relevant subfund is published. In the event of the subfunds or umbrella fund being liquidated, the investor's entitlement to a transfer of the assets in kind shall be limited to the corresponding gold holdings of the subfunds or umbrella fund respectively. If all investors who are entitled to the transfer of assets in kind request such a transfer in the event of liquidation to an extent that exceeds the corresponding gold holdings, the transfer shall be reduced *pro rata*, with part of the payment being made in cash.

X. Changes to the Fund Contract

§ 27

If changes are made to the present fund contract, or if a change of the fund management company or of the custodian bank is planned, the investors may lodge objections with the supervisory authority within 30 days after the last corresponding publication. In the event of a change to the fund contract, 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 duty to publish 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 June 23, 2006, the Ordinance on Collective Investment Schemes of November 22, 2006 and the Ordinance of the Swiss Financial Market Supervisory Authority on Collective Investment Schemes of December 21, 2006.
The court of jurisdiction is the court at the fund management company's registered office.
2. For the interpretation of the fund contract, the German-language version shall be binding.
3. The present fund contract takes effect on 1 July 2013.
4. The present fund contract replaces the fund contract dated December 16, 2011.