Effectual Capital Fund SICAV

Investment company with variable capital with multiple sub-funds

PROSPECTUS

July 2026

TABLE OF CONTENTS

IMPORTANT INFORMATION 3

DIRECTORY 6

GLOSSARY 8

GENERAL PART 12

1. STRUCTURE OF THE COMPANY 12
2. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY AND THE SUB-FUNDS 12
3. RISK MANAGEMENT PROCESS 13
4. RISK CONSIDERATIONS 15
5. SHARES 36
6. HOW TO BUY SHARES 38
7. HOW TO SELL SHARES 41
8. HOW TO CONVERT SHARES 44
9. LATE TRADING 45
10. FOREIGN EXCHANGE TRANSACTIONS 45
11. NET ASSET VALUE AND DEALING PRICES 45
12. DIVIDENDS 50
13. CHARGES AND EXPENSES 51
14. MANAGEMENT COMPANY 53
15. INVESTMENT MANAGER(S) 55
16. DEPOSITARY 56
17. DOMICILIARY AGENT 58
18. ADMINISTRATION 59
19. CONFLICTS OF INTEREST 60
20. MEETINGS AND REPORTS 60
21. TAXATION 61
22. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS 67
23. PROCESSING OF PERSONAL DATA 68
24. BENCHMARK REGULATION 70
25. DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINTS 71

SUB-FUND PARTICULARS 1 73

SUB-FUND PARTICULARS 2 86

SUB-FUND PARTICULARS 3 101

APPENDICES 115

Appendix 1 115

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 115

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 127

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 141

Appendix 2 Investment Restrictions, Use of Financial Derivative Instruments and Investment Techniques 154

IMPORTANT INFORMATION

THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

It should be remembered that the price of Shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.

Shares are available for issue on the basis of the information and representations contained in this Prospectus and the relevant KIDs. Any further information given or representations made by any person with respect to any Shares must be regarded as unauthorised.

All Classes of Shares of all Sub-Funds that are in issue may be listed on the Luxembourg Stock Exchange or on any other recognised stock exchange. Trading in Shares of the Company on a stock exchange will be in accordance with the rules and regulations of the relevant stock exchange and subject to normal brokerage fees.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is unlawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Shares have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") or under the securities laws of any state and the Company has not been and will not be registered under the Investment Company Act 1940 (the "**Investment Company Act**"). This document may not be distributed, and the Shares in the Company may not be offered or sold within the United States of America or to any US Persons (as defined in the Glossary of the Prospectus), except upon individual approval of the Board of Directors (as defined in the Glossary of the Prospectus) and under available exemptions which would not require a registration of the Company under applicable US rules and regulations.

Investors and applicants should note that under the Foreign Account Tax Compliance Act ("**FATCA**") details of US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service ("**IRS**"), as a safeguard against US tax evasion. As a result, and to discourage non-US financial institutions from staying outside this regime, financial institutions that do not comply with the regime will be subject to a 30% withholding tax penalty with respect to certain US sourced income (including dividends) and gross proceeds from the sale or other disposal of property that can produce US sourced income. In order to protect the Shareholders from the effect of any withholding penalty, it is the intention of the Company to be compliant with the requirements of the FATCA regime as this applies to entities such as the Company. For further details please refer to the Section "Taxation" of this Prospectus.

In order to protect the interest of all Shareholders, the Company reserves the right without further notice to restrict or prevent the sale and transfer of Shares to persons targeted by FATCA as permitted by the Articles of Incorporation.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for Shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The KIDs of each Class of each Sub-Fund, the latest annual and semi-annual reports of the Company (if any), are available at the registered office of the Company and/or on the following website: www.effectual.fund and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant KID(s). The KIDs provide information among others on performance scenarios, the summary risk indicator, and charges. Investors may obtain the KIDs in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his Shareholder rights directly against the Company, notably the right to participate in general Shareholders' meetings if the investor is registered himself and in his own name in the Register. In cases where an investor invests in the Company through an intermediary investing into the Company, (i) it may not always be possible for the investor to exercise certain Shareholder rights directly against the Company and (ii) investors' rights to indemnification in the event of Net Asset Value calculation error, non-compliance with the investment rules and/or any other error at the level of the Company may be impacted.

Shareholders are informed that, as a matter of general practice, telephone conversations and instructions may be recorded for the purpose of evidencing transactions or related communication. Such recordings will benefit from professional secrecy and privacy rules and shall not be released to third parties, except in cases where the Registrar and Transfer Agent is compelled or entitled to do so by applicable laws and regulations.

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the Company (the "**Controller**") will be processed by the Controller in accordance with the Privacy Notice referred to in Section 23. "Processing of Personal Data", a current version of which is available at the registered office of the Company. All persons contacting, or otherwise dealing directly or indirectly with, the Controller are invited to read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controller.

Investors should note that investor data (such as name and address) may be transferred by or on the Administration Agent's and/or the Depositary's behalf to intra-group or other third party service providers, such as processing agents, located in various jurisdictions. For the Administration Agent, the list of countries is available in the data protection notice of Northern Trust Global Services SE

available at (https://protect-eu.mimecast.com/s/SngfC4EySBvvoxtOdOEI?domain=northerntrust.com).

Information about outsourcing and potential processing of investors' data by the Depositary may be found at https://www.ubs.com/lu/en/wealth-management/about-us/europe-se.html specifically in the General Terms and Conditions (GTCs) of the Depositary (containing relevant outsourcing information) and the privacy notice (covering personal data processing pursuant to the applicable data protection laws).

These lists will be updated prior to any transfer of investor data to intra-group or other third-party service provider located in a new country and investors will be notified via a notice on the abovementioned websites.

DIRECTORY

Registered office of the Company
4, rue Peternelchen
L - 2370 Howald
Grand Duchy of Luxembourg

Board of Directors of the Company

- Daniela Tiriboi, Head of Controlling, Perpetual Investors GmbH
- Anne Zanoni, Partner, ONE corporate S.à r.l.
- Mario Koster, Independent Director

Management Company
ONE Fund Management S.A.
4, rue Peternelchen
L-2370 Howald
Grand Duchy of Luxembourg

Members of the Board of Directors of the Management Company
Steve Bernat, Founding Partner, ONE group solutions S.A.
Lydie Bini, Managing Director, ONE Fund Management S.A.
Aron Brown, Non-Executive Director

Conducting officers of the Management Company
Lydie Bini
Geoffrey Hurault
Kvirin Cerne
Cyrille Dallant

Depositary and Paying Agent
UBS Europe SE, Luxembourg Branch
33A, avenue J.F. Kennedy
L - 1855 Luxemburg
Grand Duchy of Luxembourg

Administration, Registrar and Transfer Agent
Northern Trust Global Services SE
10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Domiciliary Agent
ONE corporate S.à r.l.
4, rue Peternelchen
L-2370 Howald
Grand Duchy of Luxembourg

Investment Managers
Quoniam Asset Management GmbH
Westhafenplatz 1,
60327 Frankfurt
Germany

Legal & General Investment Management Limited
One Coleman Street
London
EC2R 5AA
United Kingdom

PIMCO Europe GmbH
Seidlstrasse 24-24a
80335 Munich
Germany

Currency Hedging Service Provider
finccam Investment GmbH
Ganghoferstraße 70
80339 München
Germany

Auditor
Deloitte Audit
Société à responsabilité limitée
20 Boulevard de Kockelscheuer,
L-1821 Luxembourg,
Grand Duchy of Luxembourg

Legal advisers
Elvinger Hoss Prussen
société anonyme
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

GLOSSARY

Unless otherwise specified in a Sub-Fund Particular:

1915 Law	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
2010 Law	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended, implementing Directive 2009/65/EC into Luxembourg law.
Administration Agent	Northern Trust Global Services SE.
Application Form	The application form available at the registered office of the Company and from distributors (if any).
Articles of Incorporation	The articles of incorporation of the Company, as may be amended from time to time.
Auditor	Deloitte Audit.
Base Currency	The base currency of a Sub-Fund, as disclosed in the relevant Sub-Fund Particular.
Benchmark Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
Board of Directors	The board of directors of the Company. Any reference to the Board of Directors includes a reference to its duly authorised agents or delegates.
Business Day	Any full day on which the banks are open for normal business banking in Luxembourg and any other relevant jurisdictions as further detailed in the relevant Sub-Fund Particular.
CHF	The legal currency of Switzerland.
Class(es)	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "**Class**") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund Particular.

Company	Effectual Capital Fund SICAV.
CSSF	*Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority.
Depositary	UBS Europe SE, Luxembourg Branch.
Directors	The members of the Board of Directors.
Eligible State	Any EU Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
EEA	The European Economic Area.
ESG	Environmental, social and corporate governance criteria.
ESMA	The European Securities and Markets Authority.
EU	The European Union.
EUR	The legal currency of the European Union (the "**Euro**").
G20	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States of America and the EU.
GBP	The legal currency of the United Kingdom.
Grand-Ducal Regulation of 2008	The Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the Law of 20 December 2002 on undertakings for collective investment.
Institutional Investor(s)	Institutional investor(s) within the meaning of Article 174 of the 2010 Law, as interpreted by the CSSF.
Investment Manager	The entity(ies) set out in the relevant Sub-Fund Particular.
KID(s)	The key information document(s).
Luxembourg	The Grand Duchy of Luxembourg.
Management Company	ONE Fund Management S.A.

Member State	A member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this Agreement and related acts, are considered as equivalent to Member States of the European Union.
Money Market Instruments	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
Net Asset Value	The net asset value of any Class within any Sub-Fund or of any Sub-Fund determined in accordance with the relevant provisions detailed in Section 11. "Net Asset Value and dealing prices".
OECD	Organisation for Economic Co-operation and Development.
Other UCI	An undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC.
Reference Currency	The currency denomination of a Class in which the Net Asset Value per Share of the Class is expressed and calculated as disclosed in the relevant Sub-Fund Particular.
Register	The register of Shareholders of the Company.
Registrar and Transfer Agent	Northern Trust Global Services SE.
Regulated Market	A regulated market as defined in the Directive 2014/65/EU of 15 May 2014 on markets in financial instruments (MiFID), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by MiFID and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
Regulation (EU) 2017/1131	Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.
RESA	*Recueil Electronique des Sociétés et Associations*, Luxembourg's central electronic platform of official publication.
Share	A share of no par value of any Class of any Sub-Fund in the Company.

Shareholder	A person recorded as a holder of Shares in the Register.
Sub-Fund	A specific portfolio of assets and liabilities within the Company having its own net asset value and represented by one or more Classes.
Sub-Fund Particulars	Part of the Prospectus containing information relating to each Sub-Fund.
Transferable Securities	Shall mean: (a) shares and other securities equivalent to shares, (b) bonds and other debt instruments, (c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments.
UCITS	An undertaking for collective investment in Transferable Securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.
US Person(s)	Shall have the meaning ascribed to it under Section 902(k) of Regulation S under the Securities Act.
USD	The official currency of the United States of America (United States Dollar).
Valuation Day	Any day for which the Net Asset Value is calculated as detailed for each Sub-Fund, in the relevant Sub-Fund Particular.

GENERAL PART

1. STRUCTURE OF THE COMPANY

The Company has been incorporated under the denomination "Effectual Capital Fund SICAV". "Effectual" means being successful in producing or being able to produce a desired effect or intended result. The use of this name does however not imply a guarantee of performance.

The Company is an umbrella investment company with variable capital (*société d'investissement à capital variable*) incorporated under the form of a *société anonyme* in the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities (UCITS) under Part I of the 2010 Law. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant Sub-Fund Particular. Within each Sub-Fund, different Classes with characteristics detailed in the relevant Sub-Fund Particular may be issued.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s) in accordance with the provisions of Article 181 of the 2010 Law. This means that the assets of each Sub-Fund shall be invested for the Shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board of Directors may at any time resolve to set up new Sub-Fund(s) and/or create within each Sub-Fund one or more Classes. The Board of Directors may also at any time resolve to close a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

The Company was incorporated for an unlimited period in Luxembourg on 14 April 2023. The capital of the Company shall be equal at all times to its net assets. The minimum capital of the Company shall be the minimum prescribed by the 2010 Law, which at the date of this Prospectus is the equivalent of EUR 1,250,000. This minimum must be reached within a period of 6 months following the authorisation of the Company as a UCITS under the 2010 Law.

The Company was incorporated with an initial capital of EUR 30,000, divided into 300 fully paid up shares.

The Company is registered with the *Registre de Commerce et des Sociétés, Luxembourg* (Luxembourg register of commerce and companies) under number B 277054. The Articles of Incorporation were deposited with the *Registre de Commerce et des Sociétés,* Luxembourg and were published in the RESA on 4 May 2023.

The reference currency of the Company is the EUR and all the financial statements of the Company will be presented in EUR.

2. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY AND THE SUB-FUNDS

The Company seeks to provide a range of Sub-Fund(s) with the purpose of spreading investment risk and satisfying the requirements of investors seeking to gain capital growth as detailed for each Sub-Fund in the relevant Sub-Fund Particulars.

In pursuing the investment objectives of the Sub-Funds, the Investment Manager at all times seeks to maintain an appropriate level of liquidity in the assets of the relevant Sub-Fund so that redemptions of Shares under normal circumstances may be made without undue delay upon request by the Shareholders.

Whilst using its best endeavours to attain the investment objectives, the Investment Manager cannot guarantee the extent to which these objectives will be achieved. The value of the Shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the Shares to diminish or to increase.

Integration of sustainability risks into investment decisions

The Sub-Funds' investments may be subject to sustainability risks. Sustainability risks are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the Sub-Fund's investments.

The relevant Investment Manager's integration of sustainability risks in the investment decision-making process of the relevant Sub-Fund is reflected in the relevant Investment Manager's ESG/sustainable investment policy and further described in the relevant Sub-Fund Particular. The factors which will be considered by the Investment Manager will vary depending on the security in question, but could typically include ownership structure, board structure and membership, capital allocation track record, management incentives, labour relations history, and climate risks.

According to its risk management policy, the Management Company will perform an oversight of the Sub-Funds' portfolio exposure to sustainability risks, by confirming that key performance indicators were taken into consideration by the relevant Investment Manager while investing.

A sustainability risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country which may impact the portfolio of a Sub-Fund in its entirety.

Information as to whether and when principal adverse impacts of investment decisions on sustainability factors are intended to be considered are specified in the Sub-Fund Particulars.

3. RISK MANAGEMENT PROCESS

In accordance with the 2010 Law and the applicable regulations, in particular CSSF Circular 11/512, the Management Company will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company, on behalf of the Company, will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise expressly stated in the relevant Sub-Fund Particulars, the commitment approach (as detailed in the ESMA Guidelines 10-788) will be applied to measure the Sub-Funds' risk exposure. When using the commitment approach, the relevant Sub-Fund calculates its global exposure by taking into account the market value of the equivalent position in the underlying asset of the financial derivative instruments or the financial derivative instruments' notional value, as appropriate. This commitment conversion methodology allows in certain circumstances and in accordance with the

provisions of the CSSF Circular 11/512 (i) the exclusion of certain types of non-leveraged swap transactions or certain risk free or leverage free transactions and (ii) the consideration of netting and hedging transactions to reduce the global exposure.

In case the relative Value-at-Risk (VaR) approach is used for a Sub-Fund, this will be indicated in the Sub-Fund Particulars. Accordingly, the VaR of the Sub-Fund's portfolio will not exceed twice the VaR on a comparable benchmark portfolio or reference portfolio (i.e. a similar portfolio with no derivatives) which will reflect the Sub-Fund's intended investment style.

The expected leverage will be calculated according to the total of all financial derivative instruments' notional amounts, as described below under Section 4. "Risk Considerations", "leverage".

Liquidity Risk Management

The Management Company has established, implemented and consistently applies a liquidity risk management process and has put in place prudent and rigorous liquidity management procedures, including liquidity stress test methodologies in accordance with the ESMA guidelines on liquidity stress testing, which enable it to monitor the liquidity risks of the Sub-Funds and to ensure compliance with the internal liquidity thresholds so that a Sub-Fund can normally meet its obligation to redeem its Shares at the request of Shareholders at all times.

Qualitative and quantitative measures are used to monitor portfolios and securities to seek to ensure investment portfolios are appropriately liquid and that Sub-Funds are able to honour Shareholders' redemption requests. In addition, Shareholders' concentrations are regularly reviewed to assess their potential impact on the liquidity of the Sub-Funds.

Sub-Funds are reviewed individually with respect to liquidity risks.

The liquidity risks are further described in Section 4. "Risk Considerations" below.

The Management Company's liquidity management procedure takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and Shareholder base. The following liquidity management tools may be used to manage liquidity risk:

i. a suspension of the redemption of Shares in certain circumstances as described in the Section 11.2 "Temporary suspension".

ii. the deferral of redemptions in accordance with Section 7.5 "Deferral of redemptions".

iii. in certain circumstances the acceptance that redemption requests are settled in kind in accordance with sub-section "Redemptions in kind" in Section 7.2 "Settlement".

Shareholders that wish to assess the underlying assets' liquidity risk for themselves should note that the Sub-Funds' complete portfolio holdings are indicated in the latest annual report, or the latest semi-annual report where this information is more recent.

4. RISK CONSIDERATIONS

Investment in any Sub-Fund carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should read the Prospectus in its entirety and the relevant KIDs and consult with their legal, tax and financial advisers prior to making a decision to invest.

There can be no assurance that the Sub-Fund(s) of the Company will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

Business risk

There can be no assurance that the Company or any Sub-Fund will achieve its investment objective. There is no operating history by which to evaluate their likely future performance. The investment results of the Company or any Sub-Fund are reliant upon the success of the Investment Manager and the performance of the markets the Sub-Funds invest in.

Reliance on the Investment Manager

The Investment Manager will have the responsibility for each Sub-Fund's investment activities. Investors must rely on the judgment of the Investment Manager which has complete discretionary power in exercising this responsibility. In addition, since the performance of a Sub-Fund is mainly dependent on the skills of the Investment Manager, if the services of the Investment Manager or its principals were to become unavailable, such unavailability might have a detrimental effect on the relevant Sub-Fund and its performance.

Moreover, there can be no assurance that the Investment Manager of any Sub-Fund will successfully implement the strategy of the relevant Sub-Fund.

Market risk

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments in securities may be affected by uncertainties such as international, political and economic and general financial market developments or changes in government policies, especially in countries where the investments are based.

Foreign exchange risk and currency hedging risk

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to the Base Currency of the relevant Sub-Fund or to the Reference Currency of the relevant Class, the Sub-Fund / relevant Class may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency (or the Reference Currency) and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's / Class' Shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency (or the Reference Currency) the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Sub-Fund / Class may engage in foreign currency transactions in order to hedge against currency exchange risk. However, there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Sub-Fund / Class from benefiting from the performance of a Sub-Fund's / Class' securities if the currency in which the securities held by the Sub-Fund / Class are denominated rises against the Base Currency (or the Reference Currency). In case of a hedged Class (denominated in a currency different from the Base Currency), this risk applies systematically.

Hedging transactions may consist of foreign exchange forward contracts, foreign exchange futures or other types of derivative contracts which reflect a foreign exchange hedging exposure that is "rolled" on a periodic basis. In such a situation, the hedging transactions may not be adjusted for the foreign exchange exposure arising from the performance of a Sub-Fund's portfolio between two consecutive roll dates which may reduce the effectiveness of the hedge and may lead to gains or losses to investors. Investors should note that there may be costs associated with the use of foreign exchange hedging transactions which may be borne by the relevant Sub-Fund/Class.

Given that there is no legal segregation of liabilities between Classes, there may be a remote risk that, under certain circumstances, hedging transactions in relation to a hedged Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same sub-fund.

The Management Company will review hedged positions at every valuation point to ensure that (i) over-hedged positions do not exceed 105% of the Net Asset Value of the hedged Classes and (ii) under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the hedged Classes which is to be hedged against the currency risk.

Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Class may have recourse to the assets attributable to other Classes.

Equity investment risks

A Sub-Fund may invest directly or indirectly in equity securities. Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down as well as up. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Sub-Fund to losses.

Risks of investing in other funds

A Sub-Fund may invest in underlying funds which are not regulated by the CSSF. In addition to the expenses and charges charged by such Sub-Fund, investors should note that there are additional fees involved when investing into these underlying funds, including fees and expenses charged by investment manager of these underlying funds as well as fees payable by the relevant Sub-Fund during

its subscription to or redemption from these underlying funds. Furthermore, there can be no assurance that 1) the liquidity of the underlying funds will always be sufficient to meet redemption request as and when made; and 2) investment objective and strategy will be successfully achieved despite the due diligence procedures undertaken by the Investment Manager and the selection and monitoring of the underlying funds. These factors may have adverse impact on the relevant Sub-Fund and its investors. If a Sub-Fund invests in an underlying fund managed by the Investment Manager or connected person of the Investment Manager, potential conflict of interest may arise. Please refer to the section headed "*Conflicts of Interest*" for details under the circumstances.

Segregation of Sub-Funds risk

The Company is an investment fund structured in the form of an "umbrella fund" comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Company arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Class become insufficient to pay for the liabilities allocated to that Class, the assets allocated to other Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Classes may also be reduced. An up-to-date list of the Classes with a contagion risk, if any, will be available upon request at the registered office of the Management Company.

Debt Securities risks

- *Credit ratings risk*

  The ratings of debt securities by Moody's Investor Services, Standard & Poor's and Fitch's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating of an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. Rating agencies might not always change their credit rating of an issuer in a timely manner to reflect events that could affect the issuer's ability to make scheduled payment on its obligations. In addition, there may be varying degrees of difference in credit risk of securities within each rating category and rating agencies may make mistakes which result in serious mis-ratings of the securities.

- *Lower rated, below investment grade and unrated securities risk*

  A Sub-Fund may invest in securities which are below investment grade or which are unrated. Investors should note that such securities would generally be considered to have a higher degree of counterparty risk, credit risk and liquidity risk than higher rated, lower yielding securities and may be subject to greater fluctuation in value and higher chance of default. If the issuer of securities defaults, or such securities cannot be realised, or perform badly, investors may suffer substantial losses. The market for these securities may be less active,

making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the relevant Sub-Fund's prices may be more volatile.

The value of lower-rated or unrated corporate bonds may be affected by investors' perceptions. When economic conditions appear to be deteriorating, below investment grade or unrated corporate bonds may decline in market value due to investors' heightened concerns and perceptions over credit quality.

- *Valuation risk*

The value of debt securities that a Sub-Fund invests may be subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt securities are not priced properly. Valuations of quoted or listed debt securities are primarily based on the valuations from independent third-party sources where the prices are available. However, in the case where independent pricing information may not be available such as in extreme market conditions or break down in the systems of third-party sources, the value of such debt securities may be based on certification by such firm or institution making a market in such investment as may be appointed for such purpose by the Investment Manager in consultation with the Board of Directors. Valuations in such circumstance may involve uncertainty and judgemental determination.

In the event of adverse market conditions where it is not possible to obtain any reference quotation from the market at the relevant time of valuation, the latest available quotations of the relevant debt securities may be used to estimate the fair market value. Alternatively, the Board of Directors may permit some other method of valuation to be used to estimate the fair market value of such debt securities including the use of quotation of other debt securities with very similar attributes. Such valuation methodology may not equal to the actual liquidation price due to liquidity and size constraints. If valuation is proven to be incorrect, this will affect the Net Asset Value calculation of the relevant Sub-Fund.

The valuation of unlisted debt securities is more difficult to calculate than listed debt securities. Normally, unlisted debt securities are valued at their initial value thereof equal to the amount expended out of the relevant Sub-Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other acquisition expenses) provided that the value of any such unlisted debt securities shall be determined on a regular basis by a professional person approved by the Board of Directors as qualified to value such unlisted debt securities. Such professional person may value the unlisted debt securities by reference to the prices of other comparable unlisted debt securities. The trading of unlisted debt securities may not be transparent, and the prices of unlisted debt securities may not be openly displayed. There is a risk that such professional person is not aware of all the trading in unlisted debt securities and may use prices which may be historical only and may not reflect recent trading in the debt securities concerned. In such circumstance, the valuation of the unlisted debt securities may not be accurate as a result of incomplete price information. This would have impact on the calculation of the Net Asset Value of the relevant Sub-Fund.

- *Unlisted debt securities risk*

  The debt securities in which a Sub-Fund invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the relevant Sub-Fund may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, the relevant Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the relevant Sub-Fund may suffer losses in trading such securities.

- *Interest rate risk*

  A Sub-Fund that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

- *Credit risk*

  A Sub-Fund which has exposure to bonds and other fixed income securities is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Sub-Fund(s) investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

  More generally, changes in the financial condition of an issuer or counterparty, changes in specific economic, social or political conditions that affect a particular type of security or other instrument or an issuer, and changes in economic, social or political conditions generally can increase the risk of default by an issuer or counterparty, which can affect a security's or other instrument's credit quality or value and an issuer's or counterparty's ability to pay interest and principal when due. The values of lower-quality debt securities tend to be particularly sensitive to these changes. The values of securities also may decline for a number of other reasons that relate directly to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services, as well as the historical and prospective earnings of the issuer and the value of its assets.

- *Downgrading risk*

  Investment Grade bonds may be subject to the risk of being downgraded to non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security may be adversely affected. The Management Company or the Investment Manager may or may not dispose of the securities, subject to the investment objective of the Sub-Fund.

Liquidity risk

A Sub-Fund is exposed to the risk that a particular investment, position or collateral cannot be easily unwound or offset due to insufficient market depth, market disruption, a sudden change in the perceived value or credit worthiness of the issuer of a security or the security itself/of the counterparty to a position or of the position itself, or due to adverse market conditions generally, in particular an adverse change in demand and supply of a security or bid and ask quotes on a position, respectively.

A common consequence of reduced liquidity of a security/of a position is an additional, as opposed to the usual bid-ask spread charged by the brokers, discount on the selling/liquidation price. In addition, reduced liquidity due to these factors may have an adverse impact on the ability of a Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.

In general, securities purchased/positions entered into by a Sub-Fund are sufficiently liquid, so that no liquidity issues normally arise during the course of the Sub-Fund's business. However, certain securities might be or become illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, political or other reasons.

A Sub-Fund's investment in illiquid securities may reduce the returns of the Sub-Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk (such as but not limited to ABS and MBS, high yield and high-risk bonds) tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

The attention of the Shareholders is drawn to the fact that in extreme market situations the liquidity of the securities in which a Sub-Fund may invest may be temporarily limited. Markets where a Sub-Fund's securities are traded could experience such adverse conditions as to cause exchanges to suspend trading activities. The Investment Manager will however take all necessary steps to ensure that the overall liquidity of the portfolio is ensured at any time.

Essentially, liquidity risk is a risk that demand and supply of a financial instrument or any other asset is not sufficient to establish a sound market in this instrument or other asset. Accordingly, it may take longer to sell the instrument. The less liquid an instrument, the longer it might take to sell it.

Risks of investing in IPO securities

A Sub-Fund may invest in initial public offers ("**IPOs**") securities. The prices of securities involved in IPOs are often subject to greater and more unpredictable price changes than more established securities. There is the risk that there are inadequate trading opportunities generally or allocations for IPOs which the Investment Manager wishes or is able to participate in. Furthermore, the liquidity and volatility risks associated with investments or potential investments in IPO securities may be difficult to assess, due to the lack of trading history of such IPO securities. These risks may have adverse impact on the relevant Sub-Fund and its investors.

Volatility of financial derivative instruments

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

Futures and options

Under certain conditions, the Company may use options and futures on securities, indices and interest rates for different purposes (i.e. hedging and efficient portfolio management). Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Please also refer to Leverage Risk below.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

OTC financial derivative transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a Sub-Fund entering into OTC financial derivative transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Sub-Fund will not sustain losses as a result.

From time to time, the counterparties with which the Company may effect transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies or credit default swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Management Company or the Investment Manager with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

Exchange Traded Fund risk

An Exchange Traded Fund ("**ETF**") may seek to track the performance of certain indices or certain assets, contracts and/or instruments invested in or held by such an ETF and thus the performance of an ETF will be subject to the same risks as affect the underlying assets. These may include, in particular, company-specific factors such as: earnings position, market position, risk situation, shareholder structure and distribution policy of the underlying companies, as well as macroeconomic factors, such as interest rate and price levels on the relevant markets, currency fluctuations and political, legal and regulatory developments.

Liquidity transformation performed by ETFs is a key benefit for investors but could be subject to frictions. ETFs are capable of transforming less liquid assets into more liquid tradable securities. Multiple participants provide liquidity based on their commercial incentives. ETF liquidity is hence jointly determined on primary, secondary and related markets used for hedging activities. Investors face the risk that liquidity may not be higher than the liquidity of the underlying securities in all market conditions. Past experience has shown that disruptions (for example, trading halts, operational glitches at a market-makers) to ETF liquidity can occur in highly liquid markets, such as European or US equity markets, even if these episodes have been short-lived.

Depositary receipts risk

Depositary receipts are instruments in the form of share certificates in a portfolio of shares held in the country of domicile of the issuer. The legal owner of shares underlying the depositary receipts is the custodian bank, who at the same time is the issuing agent of the depositary receipts. There is a risk that the jurisdiction of issuance of the depositary receipts or the jurisdiction to which the custodian agreement is subject does not recognise the purchaser of the depositary receipts as the actual beneficial owner of the underlying shares. Therefore, in the event that the custodian bank becomes insolvent or that enforcement measures are taken against such a custodian bank, it may not be possible to exempt the relevant shares from the assets of the custodian bank subject to the insolvency proceedings and the holders of the relevant depositary receipts may end up being treated as unsecured creditors of the custodian bank or their rights to the assets of the custodian bank may not be recognised at all, as part of such proceedings. In such circumstances, any amount realised by the holder of the relevant depositary receipts may be significantly below their original value.

Risk of Swap Transactions

To the extent that a Sub-Fund enters into a swap transaction, investors should be aware that in a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular pre-determined investments or instruments.

Swaps contracts can be individually traded and structured to include exposure to different types of investments or market factors. Depending on their structure, these swap operations can increase or decrease the exposure of a Sub-Fund to strategies, shares, short- or long-term interest rates, foreign currency values, borrowing rates or other factors. Swaps can be of different forms, and are known under different names; they can increase or decrease the overall volatility of a Sub-Fund, depending on how they are used. The main factor that determines the performance of a swap contract is the movement in the price of the underlying investment, specific interest rates, currencies and other factors used to calculate the payment due by and to the counterparty. If a swap contract requires payment by a Sub-Fund, the latter must at all times be able to honour said payment. Moreover, if the

counterparty loses its creditworthiness, the value of the swap contract entered into with this counterparty can be expected to fall, entailing potential losses for a Sub-Fund.

Swap transactions are subject to the risk that the swap counterparty may default on its obligations. If such a default were to occur the Sub-Funds would, however, have contractual remedies pursuant to the relevant OTC swap transaction. Investors should be aware that such remedies may be subject to bankruptcy and insolvency laws which could affect a Sub-Fund's rights as a creditor and as a result a Sub-Fund may for example not receive the net amount of payments that it contractually is entitled to receive on termination of the OTC swap transaction where the swap counterparty is insolvent or otherwise unable to pay the amount due. The net counterparty risk exposure each Sub-Fund may have with respect to a single swap counterparty, expressed as a percentage (the "**Percentage Exposure**") (i) is calculated by reference to this Sub-Fund's Net Asset Value, (ii) may take into account certain mitigating techniques (such as remittance of collateral) and (iii) cannot exceed 5% or 10% depending on the status of the swap counterparty, in accordance with and pursuant to the applicable regulations (please refer to Appendix 2 for more details on the maximum Percentage Exposure). Investors should nevertheless be aware that the actual loss suffered as a result of the swap counterparty's default may exceed the amount equal to the product of the Percentage Exposure multiplied by the Net Asset Value, even where arrangements have been taken to reduce the Percentage Exposure to nil. As a matter of illustration, there is a risk that the realised value of collateral received by a Sub-Fund may prove less than the value of the same collateral which was taken into account as an element to calculate the Percentage Exposure, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity of the market in which the collateral is traded. Any potential investor should therefore understand and evaluate the swap counterparty credit risk prior to making any investment.

Credit default swap risk

To the extent that a Sub-Fund enters into a credit default swap, investors should be aware that a credit default swap allows the transfer of default risk. This allows a Sub-Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and a Sub-Fund does not hold the underlying reference obligation, there may be a market risk as the relevant Sub-Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the relevant Sub-Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Convertible securities risk

A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted by the holder within a specified period of time into common stock at a specified conversion price. The value of convertible securities may rise and fall with the volatility

and the market value of the underlying stock or, like a debt security, vary with changes in interest rates and the credit quality of the issuer. A convertible security tends to perform more like a stock when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the option to convert) and more like a debt security when the underlying stock price is low relative to the conversion price (because the option to convert is less valuable). Because its value can be influenced by many different factors, a convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock.

Hybrid Securities risk

Hybrid securities are those that, like convertible securities described above, combine both debt and equity characteristics. Hybrids may be issued by corporate entities (referred to as corporate hybrids) or by financial institutions (commonly referred as contingent convertible bonds or "**CoCos**"). Hybrid securities are subordinated instruments that generally fall in the capital structure between equity and other subordinated debt, i.e. such securities will be the most junior securities above equity. Such securities will generally have a long maturity and may even be perpetual in nature. Coupon payments may be discretionary and as such may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments may not amount to an event of default. Hybrid securities are callable at pre-determined levels. It cannot be assumed that hybrid securities, including perpetual securities, will be called on the call date. The investor may not receive return of principal on a given call date or on any date.

Warrants risk

Investments in and holding of warrants may result in increased volatility of the Net Asset Value of certain Funds, which may make use of warrants, and accordingly are accompanied by a higher degree of risk.

Collateral risk

Although collateral may be received by a Sub-Fund to mitigate the risk of a counterparty default, there is a risk that the collateral received, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate pricing of collateral, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Please also refer to paragraph "Liquidity Risk" above in respect of liquidity risk which may be particularly relevant where collateral takes the form of securities.

Where a Sub-Fund is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral that the Sub-Fund places with the counterparty is higher than the cash or investments received by the Sub-Fund.

In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Sub-Funds may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

As a Sub-Fund may reinvest cash collateral it receives, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance the Sub-Fund would be required to cover the shortfall.

As collateral will take the form of cash or certain financial instruments, market risk is also relevant.

Collateral received by a Sub-Fund may be held either by the Depositary or by a third-party custodian. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of the Depositary or a sub-custodian.

Counterparty risk

The Company on behalf of a Sub-Fund may enter into transactions in over-the-counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the Sub-Fund may enter into forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the Company on behalf of a Sub-Fund involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

Legal risk

There is a risk that agreements and financial derivative instruments are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a Sub-Fund may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

Depositary risk

The assets of the Company and its Sub-Funds shall be held in custody by the Depositary and its sub-custodian(s) and/or any other custodians and/or broker-dealers appointed by the Company. Investors are hereby informed that cash and fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the relevant depositary, sub-custodian(s), other custodian / third-party bank and/or broker dealer's own assets in the event of the insolvency or the opening of

bankruptcy, moratorium, liquidation or reorganization proceedings of the depositary, sub-custodian(s), other custodian / third-party bank or the broker dealer as the case may be. Subject to specific depositor's preferential rights in bankruptcy proceedings set forth by regulation in the jurisdiction of the relevant depositary, sub-custodian(s), other custodian / third-party bank, or the broker dealer, the Company's claim might not be privileged and may only rank *pari passu* with all other unsecured creditors' claims. The Company and/or its Sub-Funds might not be able to recover all of their assets in full.

Emerging Markets risks

The Company may invest in eligible assets which are listed on the securities exchanges of emerging markets countries, as well as investing in companies which are located or have operations within such countries. Emerging markets are typically more volatile than developed markets and can result in increased risk for investors.

In emerging markets, the legal, regulatory and operational framework may not be well developed, which means that investments in these markets may carry higher risks than investments in markets with well-established legal, regulatory and operational frameworks. The risks of investing in emerging markets include those risks listed below.

(a) Political and legal risks

The Company has greater exposure to political risks, country risks and legal and compliance risks. In emerging markets, investor protection legislation or protection available through other legal avenues (for example concepts of fiduciary duties) may be limited, non-existent, or difficult to enforce in practice. Obligations on companies to publish financial information, or to publish such information in accordance with recognized accounting standards, may also be limited. Governments may make or invoke policy or regulation that changes the established rights of private sector companies. There is a further risk that a government may prevent or limit the repatriation of foreign capital or the availability of legal redress through the courts. There is also the risk of government intervention in the operation of financial markets, for instance a forced closure of markets.

(b) Market, valuation and settlement risks

Eligible markets which are securities exchanges in emerging markets are likely to be less liquid and less efficient than Regulated Markets. Eligible assets traded on such exchanges can be more difficult to sell and value. Shareholder registers may not be properly maintained and ownership of or interests in such eligible assets may not be (or remain) fully protected. Registration of ownership of securities may be subject to delays and during the period of delay it may be difficult to prove beneficial ownership of the securities. In some market, the concept of beneficial ownership is not recognized or is not well developed.

Custody arrangements for such securities may not be well developed. Settlements may still take place in physical rather than dematerialized form. In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

A Sub-Fund may invest in securities in jurisdictions (including China) which impose limitations or restrictions on foreign ownership or holdings. In such circumstances, the relevant Sub-Fund may be

required to make investments in the relevant markets directly or indirectly. In either case, legal and regulatory restrictions or limitations may have adverse effect on the liquidity and performance of such investments due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers.

(c) Taxation risks

Investors should note that tax law and practice in emerging market countries is less established than in countries with Regulated Markets. It is therefore possible that current laws, interpretation, guidance, or practices relating to taxation may change, potentially with retrospective effect. This may mean that the Company may have to pay additional taxes or have sales proceeds withheld for tax reasons in circumstances which cannot be anticipated at the time when investments are made, valued or disposed of.

ESG risks

ESG (environmental, social and governance) information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Management Company or the Investment Manager may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the portfolio of a Sub-Fund.

Risks Related to Terrorist Attack, War, Natural Disaster or Pandemic

The operations of the Company and counterparties with which the Company do business could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities.

Additionally, a serious pandemic, or a natural disaster, such as a hurricane or a super typhoon, could severely disrupt the global economy and the operation of the Company. In particular, the recent "novel coronavirus" (COVID-19) outbreak in Wuhan, PRC (the People's Republic of China), which has also affected other parts of PRC and the world, could have a material and adverse effect on the operation of the Company, the Management Company, the Investment Manager and other service providers in managing and operating the Company. In the event of a serious pandemic or natural disaster, for safety and public policy reasons, each the Management Company, the Investment Manager and other service providers may, to the extent they are affected by such pandemic or natural disaster, be required to temporarily shut down their offices and to prohibit their respective employees from going to work. Any such closure could severely disrupt the services provided to the Company and materially and adversely affect the Company's operation.

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Prospectus, the countries remain in active conflict. Around the same time, the United States, the UK, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian oligarchs. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Sub-Funds invest) and therefore could adversely affect the performance of the Sub-Funds' investments. The severity and duration of the

conflict and its impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to the Company and the performance of its investments and operations, and the ability of the Company to achieve its investment objectives. Similar risks will exist to the extent that any service providers or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

Effect of substantial withdrawals

Substantial withdrawals by shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

Risk of liquidation

A Sub-Fund may be terminated in certain circumstances which are summarised under the Section 22. "Liquidation of the Company / Termination and Amalgamation of Sub-Funds". In the event of the termination of a Sub-Fund, such Sub-Fund would have to distribute to the shareholders their pro rata interest in the assets of the Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by the relevant Sub-Fund will be worth less than the initial cost of acquiring such investments, resulting in a loss to the shareholders. Moreover, any organisational expenses (such as establishment costs) with regard to the relevant Sub-Fund that had not yet been fully amortised would be debited against the Sub-Fund's assets at that time.

Political and country risks

The value of the Company's assets may be affected by uncertainties such as political developments, economic and social changes, changes in government policies, cession and war, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

General economic conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular, industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance

Small Cap risk

Securities of small cap companies tend to be traded less frequently and in smaller volumes than those of large cap companies. As a result, the prices of shares of small cap companies tend to be less stable than those of large cap companies. Their value may rise and fall more sharply than other securities, and they may be more difficult to buy and sell.

Specialization risk

Some Sub-Funds specialize by investing in a particular sector of the economy or part of the world or by using a specific investment style or approach. Specialization allows a Sub-Fund to focus on a specific investment approach, which can boost returns if the particular sector, country or investment style is in favour. However, if the particular sector, country or investment style is out of favour, the value of the Sub-Fund may underperform relative to less specialized investments. Sub-Funds that specialize tend to be less diversified, but may add diversification benefits to portfolios that do not otherwise have exposure to this specialization.

Portfolio concentration risk

Although the strategy of certain Sub-Funds of investing in a limited number of assets has the potential to generate attractive returns over time, a Sub-Fund which invests in a concentrated portfolio of securities may tend to be more volatile than a Sub-Fund which invests in a more broadly diversified range of securities. If the assets in which such Sub-Fund invests perform poorly, the Sub-Fund could incur greater losses than if it had invested in a larger number of assets.

Large Shareholder risk

Shares may be purchased or redeemed by investors holding a large portion of the issued and outstanding Shares of a Sub-Fund ("**Large Shareholders**"). If a Large Shareholder redeems all or a portion of its investment in the Sub-Fund, the Sub-Fund may have to incur transaction costs in the process of making the redemption. From this perspective, the redemptions of the Large Shareholders mean a liability-side liquidity risk which is relating to situations when the Sub-Fund is not able to deal with high outflows (net redemptions) from the portfolio. Predicting the redemption behaviour of these investors is usually challenging. Conversely, if a Large Shareholder makes a significant purchase in the Sub-Fund, the Sub-Fund may have to hold a relatively large position in cash for a period of time while the Investment Manager finds suitable investments. This may negatively impact the performance of the Sub-Fund.

Active trading risks

Frequent trading will result in a higher-than-average portfolio turnover ratio which increases trading expenses, may result in increased financial transaction taxes (if applicable), and may generate higher taxable capital gains (if applicable).

Risks Involving Transfer of Money

The Sub-Funds may invest in overseas markets and thus, investors may find restrictions on transfer of dividend income and capital gains from the Company and on selling and buying activities. The Sub-Funds, therefore, may be adversely affected by application of investment restrictions of the countries invested in. In addition, delays in or denial of government approval of transfer of money may also

arise. Payment of redemption proceeds may be delayed due to changes in the global financial landscape and delays in international settlement process.

Suspension of Share dealings

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see Section 11.2 "Temporary suspension").

Declining Performance with Asset Growth

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Investment Manager to modify its investment decisions for relevant Sub-Fund because the Investment Manager cannot deploy all the assets in the manner it desires.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Company's investments. A Shareholder may not fully recover its/her/his initial investment when he chooses to redeem its/her/his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

Potential Conflicts of Interest

The Investment Manager may conduct transactions in which the Investment Manager has, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to the Company. The Investment Manager shall not be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager's fees, unless otherwise provided, be abated. Please also refer to Section 19. "Conflicts of interest".

Regulatory risk

The Company is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Sub-Funds may be registered in non-EU jurisdictions. As a result of such registrations these Sub-Funds may be subject to more restrictive regulatory regimes. In such cases these Sub-Funds will abide by these more restrictive requirements. This may prevent these Sub-Funds from making the fullest possible use of the investment limits.

Regulatory reforms

The Prospectus has been drafted in line with currently applicable laws and regulations. It cannot be excluded that the Company and/or the Sub-Funds and their respective investment objective and policy may be affected by any future changes in the legal and regulatory environment. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Sub-Fund to invest in certain instruments or to engage in certain transactions. They may also prevent the Sub-Fund from entering into transactions or service contracts with certain entities. This may impair the ability of all or some of the Sub-Funds to carry out their respective investment objectives and policies. Compliance

with such new or modified laws, rules and regulations may also increase all or some of the Sub-Funds' expenses and may require the restructuring of all or some of the Sub-Funds with a view to complying with the new rules. Such restructuring (if possible) may entail restructuring costs. When a restructuring is not feasible, a termination of affected Sub-Funds may be required.

Exchange of information

Under the terms of the FATCA Law and the CRS Law, the Company is likely to be treated as a Foreign Financial Institution. As such, the Company may require all Investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Company become subject to a withholding tax and/or penalties as a result of FATCA and/or penalties as a result of CRS, the value of the Shares held by all the Shareholders may be materially affected.

The Company and/or its Shareholders may also be indirectly affected by the fact that a non U.S. financial entity does not comply with FATCA regulations even if the Company satisfies with its own FATCA obligations.

Operational risk

The Company's operations (including investment management, distribution and collateral management) are carried out by several service providers. The Company and/or the Management Company follow a due diligence process in selecting service providers; nevertheless operational risk can occur and have a negative effect on the Company's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

Trade execution and selection of brokers and dealers

The trading techniques used by the Sub-Funds may require the rapid and efficient execution of transactions. Inefficient executions can result in a Sub-Fund being unable to exploit the small pricing differentials that the Investment Manager may seek to exploit and impact, possibly materially, the profitability of a Sub-Fund's positions.

The policy of the Investment Manager regarding purchases and sales for its portfolios is that primary consideration will be given to obtaining the most favourable execution of the transactions in seeking to implement the investment strategy of the relevant Sub-Fund. The Investment Manager will effect transactions with those brokers, dealers, banks and other counterparties (collectively, "**brokers and dealers**") which the Investment Manager believes provide the most favourable net prices and who are capable of providing efficient executions. Additional considerations include the ability of brokers and dealers to provide internal and external research services, special execution capabilities, clearance, settlement or other services including communications and data processing and other similar equipment and services and the furnishing of stock quotation and other similar information. The Investment Manager also may cause a broker or dealer who provides certain services to be paid a commission or, in the case of a dealer, a dealer spread for executing a portfolio transaction, which is

in excess of the amount of commission or spread another broker or dealer would have charged for effecting that transaction ("**soft commissions**"). The Investment Manager is only entitled to these soft commissions in the following circumstances: (i) the Investment Manager must act at all times in the Sub-Fund's best interests whenever it concludes such arrangements; (ii) the services provided must relate directly to the Investment Manager's activities; (iii) brokerage fees on transactions affecting the Sub-Fund's portfolio may only be attributed by the Investment Manager to dealer-brokers that are legal entities and not to private individuals, and (iv) the Investment Manager must provide the Board of Directors and the Management Company with reports concerning the soft commission arrangements concluded with the brokers, including details of the type of services provided. Payment of any soft commissions will be noted in the Company's financial statements.

Cyber Security Risk

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users).

Cyber security incidents affecting the Company, Management Company, Administration Agent, Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ability to calculate the Net Asset Value of the Sub-Funds; impediments to trading for the Sub-Funds' portfolios; the inability of Shareholders to transact business with the Company; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Sub-Funds invest, counterparties with which the Sub-Funds engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks cannot be and/or have not been identified.

Borrowing risks

The Investment Manager may borrow for the account of a Sub-Fund for various reasons, such as facilitating redemptions or to acquire investments for the account of the relevant Sub-Fund within the limited permitted by the CSSF. Borrowing involves an increased degree of financial risk and may increase the exposure of the relevant Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that the relevant Sub-Fund will be able to borrow on favourable terms, or that the relevant Sub-Fund's indebtedness will be accessible or be able to be refinanced by the relevant Sub-Fund at any time.

Foreign securities

A Sub-Fund's investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalization, exchange control restrictions, confiscatory taxation and limitations on the use or removal of Company's or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund's securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

Risk of realizing real yields

The increasing of inflation always poses uncertainty. As a result, - especially, but not exclusively, during periods of high inflation - the nominal performance of a Sub-Fund may fall short of inflation resulting in negative real yields. Inflation can significantly reduce the return of a Sub-Fund and the intrinsic value of the investment in terms of purchasing power. Different currencies are affected by inflation risk to varying degrees.

Risks relating to Strategies, Indices and swaps (including swap counterparty risk)

Strategy Risk

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple investment managers in the same investment or general economic or other events that adversely affect particular strategies (e.g., the disruption of historical pricing relationships). The strategies employed by the Sub-Funds may be speculative and involve substantial risk of loss in the event of such failure or deterioration, in which event the performance of the Sub-Funds may be adversely affected.

Equity Indices

Equity indices are comprised of a synthetic portfolio of shares, and as such, the performance of an equity index is dependent upon the macroeconomic factors relating to the shares that underlie such equity index, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

In addition, the rules governing the composition and calculation of an equity index may stipulate that dividends distributed on its components do not lead to a rise in the index level, for example, if it is a "price" index, which may lead to a decrease in the index level if all other circumstances remain the same. As a result, in such cases the investors in any financial instrument linked to a strategy which references such equity index will not participate in dividends or other distributions paid on the components comprising the equity index. Even if the rules of the equity index provide that distributed dividends or other distributions of the components are reinvested in the equity index and therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such equity index.

Legal and regulatory risks relating to "Benchmarks"

Interest rate, equity, commodity, foreign exchange rate and other types of indices, which are widely used as reference in financial transaction, including indices, which may be components of indices or strategies to which a Sub-Fund will seek exposure, may qualify as "benchmarks" and in that capacity would be subject to recent national, international and other regulatory guidance and proposals for reform. This means that, following any such reforms being implemented, such "benchmarks" may perform differently than in the past, or may be discontinued entirely. Any such event could negatively impact any financial instruments linked to such a "benchmark" in a material way, thus resulting in a similar negative impact on the performance of a Sub-Fund.

Exposure of tracker funds to the changes in the value of the underlying indices or strategies

In case a Sub-Fund is designed to replicate a particular index or strategy, or a portfolio of indices or strategies, the Net Asset Value of the relevant Sub-Fund will reflect the performance of the relevant index, strategy or the portfolio, both when such a performance is positive and when it is negative. Therefore, should there be a fall in the price of components of the relevant index, strategy or portfolio, such fall will adversely affect the value of the Shares in such a Sub-Fund. In relation to a Sub-Fund tracking the performance of a specific index or strategy, or a portfolio of indices or strategies, the Investment Manager will not engage in any activity designed to mitigate losses or enhance profits resulting from the changes in the value of the components of the relevant index or strategy or portfolio.

Costs of rebalancing the reference benchmark

Each Investor should consider the rebalancing frequency of the relevant benchmark/index with reference to its investment strategy. Investors should note that index rebalancing allows the relevant benchmark to adjust its constituent weightings to ensure it is accurately reflecting the market(s) it is aiming to represent. Index rebalancing can either occur (i) on a scheduled basis; or (ii) on an ad hoc basis to reflect, for example, corporate activity such as mergers and acquisitions.

The rebalancing of a benchmark may require the Sub-Fund's portfolio of transferable securities or other eligible assets to be re-balanced accordingly. This may result in transaction costs which may reduce the overall performance of the relevant Sub-Fund.

Changes to or discontinuation of an index or strategy

In relation to any index or strategy, components of such an index or strategy may from time to time be added, deleted or substituted by the administrator of any such index or strategy, and such benchmark administrator or the Investment Manager of the relevant Sub-Fund (if applicable) may introduce other changes to the methodology underpinning the relevant index, or strategy changing

the exposure to one or more components, or use discretion to vary a Sub-Fund's weightings in the index's securities. Any such changes to the underlying components may affect the performance of such an index or strategy, with the newly added component performing significantly better or worse than any component it has replaced. Such change in the performance of the relevant strategy may impact the value of any Shares of a Sub-Fund that has invested in the relevant index or strategy.

The calculation or dissemination of any index or strategy may further be discontinued or suspended by its sponsor, administrator or calculation agent. No sponsor, administrator or calculation agent of any index or strategy will have any involvement in the offer and sale of the Shares and will not owe any duty of care, including fiduciary duty, to any Sub-Fund or Shareholder. The sponsor, administrator, calculation agent of an index or strategy is free to take any actions in respect of such an index or strategy, which could adversely affect the market value of any Shares of a Sub-Fund that has invested in the relevant index or strategy. Negative aggregate performance despite positive performance of some of the components.

Negative aggregate performance despite positive performance of some of the components

The value of an index or strategy may go up or down depending on the overall performance of each of the components in such an index or strategy. The negative performance of one or more components may outweigh the positive performance of other components in such an index or strategy.

Asset-backed securities (ABS) and mortgage-backed securities (MBS)

Certain Sub-Funds may have exposure to a wide range of asset-backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds.

ABS and MBS are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards. ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

Distressed securities risk

To the extent expressly mentioned in the Sub-Fund Particulars, certain Sub-Funds may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or issuers that are involved in bankruptcy or reorganisation proceedings. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers may be limited, thereby reducing the Investment Manager's ability to

monitor the performance and to evaluate the advisability of continued investments in specific situations. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value.

5. SHARES

The Board of Directors may, within each Sub-Fund, decide to create different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but with a specific fee structure, hedging strategy, Reference Currency, distribution policy or other specific features.

A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

The Board of Directors may at any time decide to issue further Classes in each Sub-Fund.

Further details regarding the Classes in relation to each Sub-Fund and their fee structure are set out in the relevant Sub-Fund Particulars.

An up-to-date list of launched Classes, as well as information on available Classes, including information on the availability of Currency Hedged Classes (as defined below), any offering price and offering period, can be obtained at the registered office of the Company and/or on the following website: www.effectual.fund.

Class characteristics

Each of the Classes may be made available as capital-accumulation Shares and/or as distribution Shares, denominated in different Reference Currencies and as currency hedged Shares ("Currency Hedged Classes" as described below).

- Capital-accumulation Shares are identifiable by an "ACC" following the Class names and do not pay any dividends.
- Distribution Shares are identifiable by a "DIS" following the Class names and may declare and pay out dividends at least annually.
- The Reference Currency of a Class is identified by a standard international currency acronym added as a suffix to the Class name, e.g. "ACC EUR" for a capital-accumulation Class in Euro.
- Currency Hedged Classes are identified by the suffix "h" followed by the standard international currency acronym into which the Sub-Fund's Base Currency is hedged, e.g. "ACC h EUR" for a capital-accumulation, Euro Currency Hedged Class.

Each Class is also identified by an International Securities Identification Number (ISIN).

Whether a Sub-Fund offers Currency Hedged Classes depends upon the currency exposure and/or currency hedging policy of the Sub-Fund itself, as described below.

Currency Hedged Classes will be offered as portfolio hedged Classes which seek to minimise the effect of exchange rate fluctuations between the currency exposures of the assets in the portfolio of a Sub-

Fund and the Reference Currency of the Currency Hedged Class. This type of currency hedging is typically used when most of the assets in the portfolio of a Sub-Fund are neither denominated in, nor hedged back to, the Base Currency of a Sub-Fund. Where such portfolio hedging is applied, the currency exposures of the assets in the portfolio are in principle and subject to the discretion of the Currency Hedging Service Provider hedged back to the Reference Currency of the Currency Hedged Class in proportion to the Currency Hedged Class' share of the Net Asset Value of the relevant Sub-Fund, unless for specific currencies it is impractical or not cost effective to apply currency hedging. In the Currency Hedged Classes, the Shareholder will in principle and subject to the discretion of the Currency Hedging Service Provider not to hedge certain currency exposures, not materially benefit or suffer losses from exchange rate fluctuations between the currencies of the assets held in the portfolio being hedged and the Reference Currency.

The Currency Hedging Service Provider will decide on a discretionary basis which foreign exchange exposure in the portfolio of a Sub-Fund will be hedged, in which size and with which instruments (such as but not limited to foreign exchange forward contracts and foreign exchange futures).

Any transaction costs and gains or losses from currency hedging shall be accrued to and therefore reflected in the Net Asset Value per Share of the relevant Currency Hedged Class. Currency Hedged Classes will be hedged irrespective of whether the target currency is declining or increasing in value.

Fractions of Shares up to two (2) decimal places will be issued if so decided by the Board of Directors. Such fractions shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class on a pro rata basis.

All Shares must be fully paid-up; they are of no nominal value and carry no preferential or pre-emptive rights. Each Share of the Company, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of Shareholders, in compliance with Luxembourg law and the Articles of Incorporation. The Company will recognise only one holder in respect of each Share. In the event of joint ownership, the Company may suspend the exercise of any voting right deriving from the relevant Share(s) until one person shall have been designated to represent the joint owners vis-à-vis the Company.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether such Shareholder is the beneficial owner of the Shares held by the same. The transfer of a Share shall be effected by a written declaration of transfer inscribed on the register of Shareholders. Such declaration of transfer, in a form acceptable to the Company, shall state the full name and address of transferor and transferee and be dated and signed by the transferor and the transferee or by persons holding suitable powers of attorney to act therefore. The Company may also accept as evidence of transfer other instruments of transfer satisfactory to the Company.

The Company or the Administration Agent may decline to register a transfer of Shares unless the transfer form is deposited with the Company or its delegate together with such information as may reasonably be required including evidence required to show the right of the transferor to make the

transfer and satisfy the Administration Agent as to its requirements with respect to AML & KYC. A potential transferee (not being an existing Shareholder) will be required to complete such documentation as would have been required had that transferee subscribed for Shares before the proposed transfer is approved for registration.

In accordance with the 2010 Law, the issue and redemption of Shares shall be prohibited:

(i) during the period where the Company has no depositary; and

(ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

6. HOW TO BUY SHARES

6.1. Application

Applicants buying Shares for the first time need to complete the Application Form which can be sent first by fax and as detailed in the Application Form to the Registrar and Transfer Agent along with the relevant AML & KYC documentation as defined under Section 6.4 "Anti-money laundering and prevention of terrorist financing" below). The original Application Form and AML & KYC documentation have to be sent before the cut-off time for any applicable Valuation Day to the Registrar and Transfer Agent by post. Any subsequent purchase of Shares can be made by Swift, fax or any other electronic form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent.

6.2. Dealing cut-off times

The dealing cut-off times are indicated in the relevant Sub-Fund Particulars.

Applications received after the relevant cut-off times will normally be dealt on the next applicable Business Day.

6.3. Acceptance

The right is reserved by the Company, represented by its Directors, to reject any subscription or conversion application in whole or in part without giving the reasons thereof. If an application is rejected, the application monies or balance thereof will be returned at the risk and at the expense of the applicant and without interest as soon as practicable.

A Sub-Fund may, from time to time and without notice to Shareholders, be closed to new subscriptions or conversions in (but not to redemptions or conversions out) if the Directors are of the opinion that the closure is necessary to protect the interests of the existing Shareholders. This may happen in circumstances such as where a Sub-Fund has reached a size above which the portfolio management can no longer be optimal as the capacity of the market has been reached. As a result, permitting additional inflows would be detrimental to the interests of the existing Shareholders. Once closed, a Sub-Fund will not be re-opened until, in the opinion of the Directors, the circumstances which required closure no longer prevail.

If this occurs, no new investors will be entitled to subscribe Shares in these Sub-Funds. Existing Shareholders should contact their local distributor to enquire on opportunities for ongoing

subscriptions (if any). All existing Shareholders wishing to subscribe on a given Valuation Day will be treated equitably.

6.4. Anti-money laundering and prevention of terrorist financing

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, as amended, CSSF Circulars 13/556, 15/609, 17/650 and 20/744 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements), obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from occurrences of money laundering and financing of terrorism ("**AML & KYC**").

As a result of such provisions, the registrar and transfer agent of a Luxembourg UCI shall ascertain the identity of each relevant new Shareholder subscribing Shares for the first time in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require applicants to provide any AML & KYC document it deems necessary to effect such identification. In addition, the Register and Transfer Agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the above mentioned laws and regulations, the CRS Law and/or the FATCA Law (as defined hereinafter).

The Registrar and Transfer Agent is also obliged to identify any beneficial owners of the investment. The requirements apply to both purchases made directly to the Company and indirect purchases received from an intermediary or nominee. In case of a subscription for an intermediary and/or nominee acting on behalf of his customer, enhanced customer due diligence measures for this intermediary and/or nominee will be applied in accordance with the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, and the CSSF Regulation 12-02, as amended. In this context, investors must inform without delay the Registrar and Transfer Agent or the Company when the person(s) designated as beneficial owner(s) change and in general, ensure at all times that each piece of information and each document provided to the Registrar and Transfer Agent or intermediary and/or nominee remains accurate and up-to-date.

In case of delay or failure by an applicant to provide the documents required, the subscription request will not be accepted and in the event of redemption, payment of redemption proceeds delayed. Neither the Company, the Management Company, nor the Registrar and Transfer Agent nor any of their delegates or agents will be held responsible for said delay or for failure to process deals resulting from not providing or providing incomplete documentation.

From time to time, Shareholders may be requested to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

The list of identification documents to be provided by each applicant to the Registrar and Transfer Agent will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time. These requirements may be amended following any new Luxembourg regulations.

Applicants may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the applicant to provide the documents required, the application will not be accepted.

Before redemption proceeds are released, the Registrar and Transfer Agent will require original documents or certified copies of original documents to comply with the Luxembourg regulations.

The Management Company shall ensure that due diligence measures on the Company's investments are applied on a risk-based approach in accordance with Luxembourg applicable laws and regulations.

6.5. Luxembourg register of beneficial owners

The Luxembourg law of 13 January 2019 creating a register of beneficial owners (the "**RBO Law**") entered into force on 1 March 2019. According to the provisions of the RBO Law, each entity registered in Luxembourg with the Luxembourg companies register (*Registre de Commerce et des Sociétés*), including the Company, has to identify its beneficial owners ("**Beneficial Owners**"). The Company must register Beneficial Owner-related information with the Luxembourg register of beneficial owners, which is established under the authority of the Luxembourg Ministry of Justice.

The RBO Law broadly defines a Beneficial Owner as any natural person(s) who ultimately owns or controls the relevant entity through direct or indirect ownership of a sufficient percentage of the units (more than 25%) or voting rights or ownership interests in the entity (as applicable), or through control via other means, other than a company listed on a Regulated Market that is subject to disclosure requirements consistent with EU or subject to equivalent international standards which ensure adequate transparency of ownership information.

In case the Beneficial Owner criteria are fulfilled by an investor with regard to the Company, this investor and/or nominee is obliged by the RBO Law to provide the required supporting documentation and information necessary for the Company to fulfil its obligations under the RBO Law.

Failure by the Company and the relevant Beneficial Owners to comply with their respective obligations deriving from the RBO Law will be subject to criminal fines.

6.6. Settlement

IN CASH

Subscription proceeds will in principle be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular (settlement date). The Board of Directors may also accept payment in any other freely convertible currency specified by the applicant. In that case, any currency conversion cost shall be borne by the applicant.

Settlement may be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Sub-Fund/Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or may be obtained from a distributor.

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement date will be on the next Business Day on which those banks are open. Payment should arrive in the appropriate bank account opened with the Depositary, as specified in the Application Form by the settlement date at the latest as specified in the relevant Sub-Fund

Particulars and subject to the foregoing. If timely settlement is not made, an application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Management Company against any existing holding of the applicant in the Company, including but not limited to overdraft charges and interests incurred.

IN KIND

The Directors may, at their discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant Sub-Fund. A special report of the Company's Auditors will be issued. Additional costs resulting from a subscription in-kind (including the costs of the Auditors' report) will be borne exclusively by the subscriber concerned, unless the Board of Directors considers that the subscription in-kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

6.7. Share allocation

Shares are provisionally allotted but not allocated until settlement has been received by the Company or to its order. Payment for subscribed Shares must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth in the relevant Sub-Fund Particular.

If settlement is not received by the Company or to its order by the due date, the Company reserves the right to cancel the provisional allotment of Shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect settlement.

6.8. Contract notes

Contract notes which are no proofs of ownership are provided to the investor as soon as practicable after the allotment of Shares.

6.9. Form of Shares

Shares are only issued in registered form and ownership of Shares will be evidenced by entry in the Register. Shareholders will receive a confirmation of their shareholding as soon as reasonably practicable after the relevant Valuation Day.

7. HOW TO SELL SHARES

The terms and conditions applying to the redemption of the Shares of the Company are detailed, for each Sub-Fund, in the relevant Sub-Fund Particulars.

7.1. Request

Redemption requests should be made directly to the Registrar and Transfer Agent. Such requests may be made by Swift, fax or any other form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent.

In compliance with the forward pricing principle, redemption requests received after the applicable cut-off time (as detailed, for each Sub-Fund in the relevant Sub-Fund Particular) will be deferred to the next applicable Business Day.

7.2. Settlement

IN CASH

Redemption proceeds will in principle be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particulars. If, in exceptional circumstances, the liquidity of the relevant Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest. The Board of Directors may also agree to satisfy the payment of redemption proceeds in any other freely convertible currency specified by the Shareholder. In that case, any currency conversion cost shall be borne by the Shareholder and the payment of the redemption proceeds will be carried out at the risk of the Shareholder.

If, on the settlement date, banks are not open for business in the country of the currency of settlement of the relevant Class, then settlement will be on the next Business Day on which those banks are open.

IN KIND

At a Shareholder's request, the Company may elect to make a redemption in-kind subject to a special report from the Company's Auditors, having due regard to the interests of all Shareholders, to the industry sector of the issuer, to the country of issue, to the liquidity and/or to the marketability and the markets on which the investments distributed are dealt in and to the materiality of investments. Additional costs resulting from redemption in-kind will be borne exclusively by the Shareholder concerned, unless the Board of Directors considers that the redemption in-kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

7.3. Contract notes

Contract notes are sent to Shareholders as soon as practicable after the transaction has been effected.

7.4. Compulsory redemption

If a redemption/conversion instruction or transfer of Shares would reduce the value of a Shareholder's residual holding in any one Sub-Fund or Class to below the minimum holding requirement as set forth (the case being) in the relevant Sub-Fund Particular, the Company may decide to compulsorily redeem the Shareholder's entire holding in respect of that Sub-Fund.

The Company may also compulsorily redeem any Shares that are acquired or held by or on behalf of any person in breach of the Prospectus, the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority, as further detailed in the Articles of Incorporation.

If it appears at any time that a holder of Shares of a Class or of a Sub-Fund reserved to Institutional Investors (in the meaning of Article 174 of the 2010 Law) is not an Institutional Investor, the Board of Directors will convert the relevant Shares into Shares of a Class or of a Sub-Fund which is not restricted

to Institutional Investors (provided that there exists such a Class of Shares or of a Sub-Fund with similar characteristics) or compulsorily redeem the relevant Shares in accordance with the provisions set forth in the Articles of Incorporation.

7.5. Deferral of redemptions

In order to ensure that Shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of Shareholders, on receiving requests to redeem Shares exceeding 10% of the Net Asset Value of any Sub-Fund or Class shall not be bound to redeem on any Business Day a number of Shares representing more than 10% of the Net Asset Value of any Sub-Fund or Class. If the Company receives requests on any Business Day for redemption of a greater number of Shares, the Board of Directors may decide at its discretion that such redemptions exceeding the 10% limit may be deferred until sufficient liquidity is available. On the next applicable Business Day, redemption requests the processing of which has been deferred will be met in priority to later requests, still subject to the aforementioned 10% limit. Unless otherwise decided by the Board of Directors on the basis of exceptional circumstances, the deferral period should in principle not exceed 15 Business Days.

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

7.6. Cancellation right

Requests for redemption once made may in principle only be withdrawn in the event of a suspension or deferral of the right to redeem Shares of the relevant Sub-Fund or the relevant Class. In exceptional circumstances, the Management Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between Shareholders, the interests of the relevant Sub-Fund or the relevant Class and applicable market timing rules, decide to accept any withdrawal of an application for redemption.

7.7. Prevention of market timing practices

The Company does not knowingly allow investments which are associated with market timing or late trading as described in CSSF circular 04/146. In addition, the Company does not allow excessive short term trading practices as such practices may adversely affect the interests of all Shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the value of such shares or other securities. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

The Registrar and Transfer Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Board of Directors reserves the right to cause the

Registrar and Transfer Agent to reject any application for conversion and/or subscription of Shares from applicants whom the former considers market timers.

8. HOW TO CONVERT SHARES

To the extent provided for in the relevant Sub-Fund Particular, Shareholders will be entitled to request the conversion of the Shares they hold in one Sub-Fund into Shares of another Sub-Fund or to request the conversion of the Shares they hold in one Class into another Class of the same Sub-Fund by making application to the Registrar and Transfer Agent in Luxembourg or through a distributor by Swift or fax confirmed in writing by no later than the cut-off time (as further specified in the relevant Sub-Fund Particular).

Such application must include the following information: the name of the holder, the number of Shares to be switched (if it is not the total holding) and, if possible, the reference number on any Share of each Sub-Fund to be switched and the proportion of value of those Shares to be allocated to each new Sub-Fund or Class (if more than one).

Conversions will be subject to the condition that all conditions to subscribe in Shares relating to the new Sub-Fund(s)/Class(es) are met.

Unless otherwise provided for in the relevant Sub-Fund Particulars, conversions (when authorised) may be accepted for each Valuation Days in both applicable Sub-Funds/Classes.

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding, the Company may compulsorily redeem the residual Shares at the redemption price ruling on the relevant Business Day and make payment of the proceeds to the Shareholder.

The basis of conversion is related to the respective Net Asset Value per Share of the Sub-Fund or Class concerned. The Company will determine the number of Shares into which a Shareholder wishes to convert his existing Shares in accordance with the following formula:

$$A = \frac{(B \times C \times D) - F}{E}$$

The meanings are as follows:

A: the number of Shares to be issued in the new Sub-Fund/Class
B: the number of Shares in the original Sub-Fund/Class
C: Net Asset Value per Share to be converted
D: currency conversion factor
E: Net Asset Value per Share to be issued
F: Conversion charge (as detailed in the relevant Sub-Fund Particular)

The Company will provide a confirmation including the details of the conversion to the Shareholder concerned.

Any conversion request shall in principle be irrevocable, except in the event of a suspension of the calculation of the Net Asset Value of the Class or of the Sub-Fund concerned or deferral. The Management Company may however, in its sole discretion and taking due consideration of the

principle of equal treatment between Shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for conversion.

In compliance with the forward pricing principle, requests for conversions received after the cut-off time (as detailed, for each Sub-Fund, in the relevant Sub-Fund Particular) will be deferred to the next applicable Business Day.

The rules applicable to the deferral of redemptions will apply mutatis mutandis to conversion requests.

9. LATE TRADING

The Company determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any subscription or redemption commission).

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("**cut-off time**") on the relevant day and the execution of such order at the price based on the Net Asset Value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the Prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable Net Asset Value. As a result, subscriptions, conversions and redemptions of Shares shall be dealt with at an unknown Net Asset Value. The cut-off time for subscriptions, conversions and redemptions is set out in the Sub-Fund Particulars.

However, the Board of Directors may decide to accept a subscription, conversion or redemption order, where the distributor submits the relevant order to the Registrar and Transfer Agent after the cut-off time provided that such order request has been received by the distributor from the relevant investor prior the relevant cut-off time.

10. FOREIGN EXCHANGE TRANSACTIONS

Where subscription and redemption proceeds are paid in another currency than the Reference Currency of the relevant Class, the necessary foreign exchange transactions will be arranged by the Registrar and Transfer Agent for the account and at the expenses of the applicant at the exchange rate prevailing on the relevant Valuation Day.

11. NET ASSET VALUE AND DEALING PRICES

11.1. Calculation of Net Asset Value

Valuation Principles

The Net Asset Value of each Class within each Sub-Fund (expressed in the Reference Currency of the Class) is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and deducting the liabilities of the Company allocated to that Class. The Net

Asset Value per Share in each Class will be calculated by dividing the net assets attributable to that Class by the total number of Shares outstanding of that Class and by rounding the resulting amount up or down to two (2) decimal places.

The total net assets of the Company will be expressed in the Base Currency and correspond to the difference between the Company's assets and its liabilities. For the purpose of this calculation, any portion of the net assets of a Sub-Fund that is denominated in another currency, is converted into the Base Currency at the prevailing exchange rate on the Valuation Day.

The assets of each Class within each Sub-Fund are valued as of the Valuation Day, as defined in the relevant Sub-Fund Particulars, as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual Net Asset Value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available Net Asset Value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the Net Asset Value of such shares or units since the last Net Asset Value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;

2. the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market is based on the closing price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;

3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;

4. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;

5. the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;

6. swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;

7. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available bid price;

8. liquid assets and Money Market Instruments may be valued at mark-to-market, mark-to-model and/or using the amortised cost method;

9. the value of Money Market Instruments neither listed or dealt in on a stock exchange nor dealt in on any other Regulated Market shall be based on the nominal value plus any accrued interest or an amortised cost basis;

10. any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;

11. in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;

12. in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles are in the best interests of the Shareholders any other appropriate valuation principles for the assets of the Company;

13. in circumstances where the interests of the Company or its Shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets; and

14. If after the Net Asset Value per Share has been calculated, there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the Company attributable to a particular Sub-Fund is dealt or quoted, the Company may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation and carry out a second valuation, provided that the first valuation has not yet been published. In the case of such a second valuation, all issues, conversions or redemptions of Shares dealt with by the Sub-Fund for such a Valuation Day must be made in accordance with this second valuation.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in EUR.

Swing Pricing mechanism

On any Valuation Day, the Board of Directors may determine to apply an alternative Net Asset Value calculation method (i.e. swing pricing mechanism) to include such reasonable factors as they see fit to the Net Asset Value per Share. This method of valuation is intended to pass the estimated costs of underlying investment activity of the Company to the active Shareholders by adjusting the Net Asset Value of the relevant Share and thus to protect the Company's long-term Shareholders from costs associated with ongoing subscription and redemption activity.

The Company may operate a swing pricing mechanism which is applied when the total capital activity (aggregate of inflows and outflows) at a Sub-Fund level exceeds a pre-determined threshold, as determined as a percentage of the net assets of that Sub-Fund for the Valuation Day. Sub-Funds can operate a full swing pricing mechanism where the threshold is set to zero or a partial swing pricing mechanism where the threshold is greater than zero.

The swing pricing mechanism is applicable to a Sub-Fund to the extent disclosed in the relevant Sub-Fund Particular.

Such adjustment may vary from Sub-Fund / Class to Sub-Fund / Class and will not exceed 2% of the original Net Asset Value per Share under normal conditions. The Board of Directors can approve an increase of this limit in case of exceptional circumstances, unusually large Shareholders trading activities, and if it is deemed to be in the best interest of Shareholders.

This alternative Net Asset Value calculation method may take account of trading spreads on the Company's investments, the value of any duties and charges incurred as a result of trading (including the purchase or sale prices of the underlying investments) and may include an allowance for market impact. Typically, such adjustment will increase the Net Asset Value per Share when there are net inflows into the Company and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in a Sub-Fund will be calculated separately but any adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share Class in a Sub-Fund identically. Swing pricing does not address the specific circumstances of each individual investor transaction.

Where the Board of Directors, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant portfolio, has determined for a particular portfolio to apply an alternative Net Asset Value calculation method, the portfolio may be valued either on a bid or offer basis.

Because the determination of whether to value the Company's Net Asset Value on an offer or bid basis is based on the net transaction activity of the relevant day, Shareholders transacting in the opposite direction of the Company's net transaction activity may benefit at the expense of the other Shareholders in the Company. In addition, the Company's Net Asset Value and short-term performance may experience greater volatility as a result of this alternative Net Asset Value calculation method. Investors are advised that the volatility of the Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

The swing factor will be determined by the Board of Directors together with the Swing Pricing Committee appointed by the Board of Directors, and as defined in accordance with the Fund Swing Pricing Policy, after consultation with the Management Company, the Investment Manager and the Administration Agent. The Board of Directors together with the Swing Pricing Committee are responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions. On a monthly basis, the Management Company will review the operational decisions associated with swing pricing.

For certain Share Classes, an Investment Manager may be entitled to a Performance Fee, where applicable, this will be based on the unswung Net Asset Value.

Additional information on swing pricing can be found at: www.effectual.fund.

11.2. Temporary suspension

The Company, as represented by the Board of Directors may suspend the issue, allocation and redemption of Shares relating to any Sub-Fund/Class as well as the right to convert Shares and the calculation of the Net Asset Value per Share relating to any Sub-Fund/Class:

a) during any period, other than for ordinary holidays, when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund/Class for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;

b) during the existence of any state of affairs as a result of which disposal or valuation of investments of the relevant Sub-Fund/Class by the Company is not reasonably practical or it is not possible to do so without seriously prejudicing the interests of Shareholders of the relevant Sub-Fund/Class;

c) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Sub-Fund/Class is suspended;

d) during any period when the determination of the Net Asset Value per Share of the underlying funds or the dealing of their shares/units in which a Sub-Fund or a Class is a materially invested is suspended or restricted or cannot be determined accurately;

e) when for any other reason the prices of investments held or contracted for the account of that Sub-Fund cannot, in the opinion of the Company, reasonably, promptly or fairly be ascertained;

f) during any breakdown in the means of communication normally employed in determining the price or value of any of the relevant Sub-Fund/Class' investments or the current prices on any market or stock exchange;

g) during any period when remittance or repatriation of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund/Class' investments is not possible or the issue or redemption of Shares of the relevant Class is delayed or cannot, in the opinion of the Investment Manager or sub-investment manager, be carried out promptly at normal rates of exchange;

h) from the date on which the Board of Directors decides to liquidate or merge one or more Sub-Fund(s)/Class(es) or in the event of the publication of the convening notice to a general meeting of Shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class(es) is to be proposed;

i) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the Shareholders to continue dealing in Shares of any Sub-Fund/Class of the Company or where such suspension is required by law or applicable legal process;

j) during the suspension of the issue, allocation and redemption of shares of, or the right to convert shares of, or the calculation of the net asset value of a fund qualifying as master UCITS

in accordance with the applicable Luxembourg laws and regulations in which the relevant Share Class(es)/Sub-Fund(s) invest;

k) in any other case, at the Board of Directors' discretion when it is in the best interest of the Shareholders; or

l) such other circumstance or situation exists as set out in the relevant Sub-Fund Particular.

The Company may cease the issue, allocation, conversion and redemption of Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the CSSF.

The suspension of the calculation of the Net Asset Value of a Sub-Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-Fund which is not suspended.

To the extent legally or regulatory required or decided by the Company, Shareholders who have requested conversion or redemption of their Shares will be promptly notified in writing of any such suspension and of the termination thereof. The Board of Directors may also make public such suspension in such a manner as it deems appropriate.

11.3. Offer price

Shares will be issued at a price based on the Net Asset Value calculated for the relevant Valuation Day increased by any applicable sales charge detailed in the relevant Sub-Fund Particulars (if applicable). Subscription proceeds shall be paid within the timeframe disclosed in the relevant Sub-Fund Particulars.

Any sales charge (if applicable) may be payable to entities involved in a Sub-Fund's distribution such as any distributors.

11.4. Redemption price

Shares will be redeemed at a price based on the Net Asset Value calculated for the relevant Valuation Day less any applicable redemption charge disclosed in the relevant Sub-Fund Particulars (if applicable). The redemption price will be payable within the timeframe disclosed in the relevant Sub-Fund Particulars.

11.5. Information on prices

The Net Asset Value per Share in each Sub-Fund and information on historical performance is available at the registered office of the Company during normal business hours. The Net Asset Value per Share of each Class may also be published on www.effectual.fund. The Board of Directors may discontinue such publication or undertake publications in other media at its sole discretion.

12. DIVIDENDS

The Directors may issue distribution and capital-accumulation Shares, as further specified in the relevant Sub-Fund Particular.

i) Capital-accumulation Shares do not pay any dividends to Shareholders.

ii) The distribution policy of the distribution Shares, as further specified in the Articles of Incorporation, can be summarised as follows:

Distribution of dividends may be made out of investment income, capital gains and/or capital. In the ordinary course of business, distribution of dividends by the Company will be made out of investment income.

Dividends will be declared by the relevant Shareholders at the annual general meeting of Shareholders or any other Shareholder meeting. During the course of a financial year, the Board of Directors may declare interim dividends in respect of certain Sub-Fund(s) or distribution Shares.

In the absence of any instruction to the contrary, dividends will be paid out. Holders of registered Shares may however, by written request to the Registrar and Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any distribution Class of any Sub-Fund reinvested automatically in the acquisition of further shares relating to that Sub-Fund. Such Shares will be purchased no later than on the next Valuation Day after the date of payment of the dividend. Shares allocated as a result of such reinvestment will not be subject to any sales charge.

13. CHARGES AND EXPENSES

13.1. Subscription, Conversion and Redemption Fees

Unless otherwise specified in the Sub-Fund Particulars, no fees are levied in relation to the subscription, conversion or redemption of Shares.

13.2. Management Company Fee

In consideration for the management company services (including the services as global distributor) provided to the Company, the Management Company is entitled to receive a management company fee of up to 0.035% per annum of the applicable Net Asset Value, subject to a minimum fee of EUR 35,000 per Sub-Fund per annum (the "**Management Company Fee**"). Unless otherwise provided for in the relevant Sub-Fund Particular, this fee will be accrued on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund.

13.3. Investment Management Fee

The investment management fee for each Sub-Fund is expressed as maximum basis points of the net assets of the relevant Class as further detailed in the relevant Sub-Fund Particulars (the "**Investment Management Fee**") out of which the Investment Managers, the ESG Consultant (as defined in the Sub-Fund Particulars) and the distributors/sub-distributors will be remunerated, subject to a minimum fee as further detailed in the relevant Sub-Fund Particulars. Unless otherwise provided for in the relevant Sub-Fund Particulars, this fee will be accrued on each Valuation Day and payable monthly in arrears.

13.4. Administration Fee

For the services performed under the administration agreement by the Administration Agent, it will be entitled to receive out of the assets of the Company an administration fee accrued daily and payable monthly in arrears of up to 0.035% per annum of the Net Asset Value, subject to a minimum fee of USD 35,000 per Sub-Fund per annum. The Administration Agent will also be entitled to receive other fees as set out in the Administration Agreement. Fees of the Administration Agent will be exclusive of value added tax (if any).

The Administration Agent will also be reimbursed for all reasonable out-of-pocket expenses incurred in the performance of its duties as detailed in the Administration Agreement.

13.5. Depositary Fee

The Depositary is entitled to receive out of the assets of the Company, a remuneration for its services as agreed in the Depositary and Paying Agent agreement entered into between the Depositary and the Company (the "**Depositary and Paying Agent Agreement**").

In addition, the Depositary is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements, including, but not limited to, taxes, duties, charges and broker fees, whether existing now or imposed in the future and which are paid by the Depositary or for which the Depositary may be held liable and for the charges of any correspondents.

For the services performed under the Depositary and Paying Agent Agreement, the Depositary will be entitled to receive out of the assets of each Sub-Fund a depositary fee accrued daily and payable monthly in arrears of up to 0.0325% per annum of the Net Asset Value, subject to a minimum fee of USD 20,000 per Sub-Fund per annum.

13.6. Domiciliary Agent Fee

For the services performed under the domiciliation agreement by the Domiciliary Agent, it will be entitled to receive fixed fees of EUR 24,000 per annum and transaction based fees of approximately EUR 12,000 per annum out of the assets of the Company (subject to indexation adjustments).

13.7. Performance Fee

To the extent provided for in the relevant Sub-Fund Particular, the Investment Manager may also be entitled to receive a performance fee (the "**Performance Fee**"), the details of which will (where applicable) be disclosed in the relevant Sub-Fund Particular.

13.8. Other charges and expenses

To the extent not expressly covered in the other fees mentioned above, the Company will pay all brokerage and any other fees arising from transactions involving securities in the Sub-Fund's portfolios (including costs related to proxy voting of the investments/investee companies and costs related to hedging transactions in relation to certain Share Classes) as well as all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, research costs, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Company may be marketed in different countries; expenses incurred in the issue, switch and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing, preparing, translating and distribution of proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, KIDs explanatory brochures and any other periodical information or documentation; Directors' fees and reasonable out of pocket expenses.

Research costs mentioned above also include research and request of external ESG data to external ESG data providers made by the ESG Consultant. Such costs will be accrued on a daily basis and will

not be more than the greater of (i) EUR 50,000 per annum and per Sub-Fund or (ii) 0.02% of the Net Asset Value per annum and per Sub-Fund.

Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company.

In case of liquidation or restructuring of Sub-Funds, the related costs are borne by the relevant Sub-Funds that will be liquidated or restructured to the extent permitted by applicable laws and regulations.

The costs and expenses for the formation of the Company and the initial issue of its Shares will be borne by the first Sub-Funds of the Company and amortized over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear their own formation expenses and the cost of listing their Shares on any stock exchange, which will be amortized over a period not exceeding 5 years.

The Company shall indemnify any Director or officer, and his or her heirs, executors and administrators, against expenses reasonable incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his being or having been a Director or officer of the Company or, at its request, of any other corporation of which the Company is a shareholder or creditor and from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he may be entitled.

14. MANAGEMENT COMPANY

The Company has appointed ONE Fund Management S.A. to act as the management company of the Company pursuant to the Fund Management Company Agreement. The Management Company is responsible for providing investment management services, administration services and distribution services to the Company.

The Management Company has been permitted by the Company to delegate certain administrative, distribution and investment management functions to specialised service providers. In this context, the Management Company has delegated the above-mentioned tasks as follows:

The investment management function has been delegated to the Investment Manager as further detailed under Section 15. "Investment Manager(s)" below and in the Sub-Fund Particulars.

The Management Company has delegated the administration function to the Administration Agent and registrar and transfer agency functions to the Registrar and Transfer Agent.

The Management Company acts as global distributor and may delegate the distribution of a Sub-Fund to a distributor, as will be disclosed in the relevant Sub-Fund Particulars if applicable.

The Management Company was incorporated as a "*société anonyme*" under the laws of Luxembourg on 9 December 2019 and its articles of incorporation were published in the RESA on 16 January 2020. The Management Company is registered with the Luxembourg Trade and Companies Register under the number B240884 and is approved as a management company regulated by Chapter 15 of the 2010 Law. It has its registered office in Luxembourg, at 4, rue Peternelchen, L - 2370 Howald, Grand Duchy of Luxembourg. The Management Company has a subscribed and paid-up capital in excess of EUR 125,000.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis. The agreements entered between the Management Company and the relevant third-parties provide that the Management Company can give further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders at any time. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company shall also ensure compliance with the investment restrictions and oversee the implementation of the Sub-Funds' strategies and investment policy by the Sub-Funds.

The Management Company shall also send reports to the Board of Directors on a periodic basis and inform each board member without delay of any non-compliance with the investment restrictions by any Sub-Fund.

The Management Company will receive periodic reports from the Investment Manager detailing the relevant Sub-Fund's performance and analysing its investment portfolio. The Management Company will receive similar reports from the relevant Sub-Fund's other services providers in relation to the services which they provide.

The Management Company has established and applies a remuneration policy in accordance with principles laid out under Directive 2014/91/EU of the European Parliament and of the Council amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions ("**UCITS V**") and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the UCITS under management.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how the remuneration and benefits are calculated and the associated governance arrangements, are available at: https://www.one-gs.com/legal.

A paper version of this remuneration policy is made available free of charge to investors at the Management Company's registered office.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion, which relies on the following principles*:

- Identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- Identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- Calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- Determination of a balanced remuneration (fixed and variable);
- Implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- Deferral of variable remuneration over 3-year periods;
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

*It should be noted that, upon issuance of regulatory guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.

The Management Company also acts as management company for other investment funds (Luxembourgish or not). The names of these other funds are available upon request.

15. INVESTMENT MANAGER(S)

The Management Company may delegate all or part of its portfolio management duties to one or more investment managers (each an "**Investment Manager**") whose identity will be disclosed in the relevant Sub-Fund Particulars.

The Investment Manager has the discretion to acquire and dispose of securities of the Sub-Fund(s) for which it has been appointed as the investment manager, subject to and in accordance with the legal and regulatory requirements applicable to the Company and the guidelines received from the Management Company from time to time, and in accordance with the investment objectives and restrictions of the Sub-Fund(s). While the Investment Manager must act strictly in the best interests of the Shareholders, individual Shareholders shall not be involved in investment management activities.

The Investment Managers will have the possibility to appoint sub-investment managers, subject to the Management Company's prior consent.

The Investment Managers appointed as well as the period of the appointment and the assets under management of each Investment Manager are stated in the annual report.

Shareholders may at any time request details from the Management Company about the Investment Manager(s) currently appointed to manage a specific Sub-Fund's assets.

The Investment Managers have been appointed to manage the portfolio of securities and other eligible assets, subject to the supervision of the Management Company, and will execute all relevant transactions in conformity with the specified investment restrictions.

The Management Company may terminate the agreement with an Investment Manager with immediate effect if and to the extent necessary to protect the interests of investors.

The Investment Manager may also appoint one or more investment advisers (each an "**Investment Adviser**") to advise it on the portfolio management of one or more Sub-Fund(s).

The Management Company and/or the Investment Manager may also appoint one or more currency hedging service providers (each a "**Currency Hedging Service Provider**"), whose identity will be disclosed in the relevant Sub-Fund Particulars, to provide currency hedging services in relation to the Currency Hedged Classes of one or more Sub-Fund(s).

16. DEPOSITARY

The Company has appointed UBS Europe SE, Luxembourg Branch as its Depositary within the meaning of the 2010 Law and the Commission Delegated Regulation (EU) 2016/438, as amended, supplementing the UCITS Directive (UCITS Level II Regulation), pursuant to the Depositary and Paying Agent Agreement.

The Company has also appointed the Depositary as Paying Agent.

The Depositary is a Luxembourg established branch of UBS Europe SE, a European Company (*Societas Europaea*), having its registered office in Frankfurt am Main, Germany, registered with the German Trade Register under number HRB 107046. UBS Europe SE, Luxembourg Branch has its place of business at 33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies Register under number B 209.123.

Depositary duties

The relationship between the Company, the Management Company and the Depositary is subject to the terms of the Depositary and Paying Agent Agreement. Pursuant to the Depositary and Paying Agent Agreement, the Depositary has been appointed for the safe-keeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Company as well as to ensure the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the 2010 Law and the Depositary and Paying Agent Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the 2010 Law.

In addition, the Depositary shall also ensure that:

(i) the sale, issue, conversion, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation,

(ii) the value of the Shares is calculated in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation,

(iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law, the Prospectus and/or the Articles of Incorporation,

(iv) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits, and

(v) the Company's income is applied in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation.

The Depositary shall assume its duties and responsibilities in accordance with the provisions of the 2010 Law. The Depositary must act honestly, fairly, professionally, independently and solely in the interest of the Company and its Shareholders.

Delegation and conflict of interests

In compliance with the provisions of the Depositary and Paying Agent Agreement and the 2010 Law, the Depositary may, subject to certain conditions, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, to sub-custodian(s) (including any affiliates of UBS AG), as they are appointed by the Depositary from time to time.

Prior to the appointment of any sub-custodian and on an ongoing basis pursuant to applicable laws and regulations as well as its conflict of interests policy, the Depositary shall assess potential conflicts of interests that may arise from the delegation of safekeeping functions. The Depositary is part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safe-keeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or indirect interests. Irrespective of whether a given sub-custodian is part of the UBS Group or not, the Depositary shall exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian. Furthermore, the conditions of any appointment of a sub-custodian that is member of the UBS Group shall be negotiated at arm's length in order to ensure the protection of interests of the Company and its Shareholders. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to Shareholders of the Company. An up-to-date description of any safe-keeping functions delegated by the Depositary and an up-to-date list of these delegates can be found on the following webpage: https://www.ubs.com/global/en/legalinfo2/luxembourg.html.

Liability

The Depositary is liable to the Company and its Shareholders for the loss of a financial instrument held in custody (such financial instruments as defined in article 34 (3)(a) of the 2010 Law and article 12 of the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS

Directive with regard to obligations of depositaries (the "**Company Custodial Assets**") by the Depositary and/or a sub-custodian in accordance with article 35 of the 2010 Law (the "**Loss of a Company Custodial Asset**").

In case of Loss of a Company Custodial Asset, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the 2010 Law, the Depositary shall not be liable for the Loss of a Company Custodial Asset, if such Loss of a Company Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable to the Company and to the Shareholders for all other direct losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with the 2010 Law.

The Depositary's liability shall not be affected by any delegation, unless otherwise stipulated in the 2010 Law.

Termination

The Company and the Depositary may terminate the Depositary and Paying Agent Agreement at any time by giving three (3) months' prior written notice. The Depositary and Paying Agent Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations.

In case no new depositary is appointed before the expiry of the notice period, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Company's investors, including the obligation to maintain or open all the accounts necessary for the safekeeping of the different assets of the Company until the closure of the liquidation of the Company.

Depositary's independence from the Company.

The Depositary is not involved, directly or indirectly, with the business affairs, organization or management of the Company and is not responsible for the content of this document and thus accepts no responsibility for the accuracy of any information contained herein or the validity of the structure and investments of the Company. The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments and is prohibited from meddling in the management of the Company's investments. The Depositary does not have any investment decision-making role in relation to the Company.

17. DOMICILIARY AGENT

ONE corporate S.à.r.l., with registered office at 4, rue Peternelchen, L - 2370 Howald, Grand Duchy of Luxembourg will act as the Company's domiciliary agent (the "**Domiciliary Agent**"). The Domiciliary Agent is also in charge of the client communication function together with Northern Trust Global Services SE, as further detailed hereafter.

18. ADMINISTRATION

18.1. Administration, Registrar and Transfer Agent

Upon recommendation and with the consent of the Company, the Management Company has delegated the administration of the Company to Northern Trust Global Services SE.

The Administration Agent is authorised to conduct its activities in Luxembourg by the CSSF. When providing administration services to Luxembourg UCIs, the Administration Agent is subject to supervision by the CSSF.

As the Administration Agent, Northern Trust Global Services SE is responsible for the performance of the following administrative functions required by Luxembourg laws and regulations including (i) the determination of the Net Asset Value of each Class and the accounting of the Company and (ii) the registrar and transfer agent function of the Company, as further described in the agreement between the Management Company, the Administration Agent and the Company.

In addition, Northern Trust Global Services SE is also in charge of the client communication function together with ONE corporate S.à r.l., the Domiciliary Agent.

In its role of Registrar Agent and Transfer Agent of the Company, Northern Trust Global Services SE will be responsible for handling the processing of subscriptions for Shares, dealing with requests for redemptions and conversions and accepting transfers of funds, for the safekeeping of the register of, redemption or conversion and for providing and supervising the mailing of statements, reports, notices and other documents to the Shareholders, as further described in the above mentioned agreement.

The agreement between the Management Company, the Administration Agent and the Company effective as of 14 April 2023, may be terminated by a written prior notice given three (3) months in advance by either party to the other. Northern Trust Global Services SE has also been appointed as registrar and transfer agent of the Company pursuant this agreement.

Unless the Administration Agent has acted fraudulently, negligently or with wilful default, the Administration Agent shall not be liable to the Management Company, the Company or to any Shareholder of the Company for any act or omission in the course of or in connection with the discharge by the Administration Agent of its duties. The Company has agreed to indemnify the Administration Agent or any persons appointed by it from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful default on the part of the Administration Agent) which may be imposed on, incurred by or asserted against the Administration Agent in performing its obligations or duties hereunder.

The Administration Agent has no decision-making discretion relating to the Company's investments. The Administration Agent is a service provider of the Company and is not responsible for the preparation of this Prospectus or the activities of the Company and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company. The Administration Agent is not responsible for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

19. CONFLICTS OF INTEREST

The Management Company, the Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent, the Depositary and any of their delegates may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer agent or depositary in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Company or any Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Sub-Fund(s). In particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company, the Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent or the Depositary or with any of their affiliates or any of their delegates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. The Investment Manager or any affiliates or delegates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell Shares of the Company.

20. MEETINGS AND REPORTS

The annual general meeting of Shareholders of the Company (the "**Annual General Meeting**") is normally held at the registered office of the Company or such other place as may be specified in the notice of meeting in the Grand Duchy of Luxembourg within six months from the end of the Company's financial period. The first Annual General Meeting was held in 2024. Other general meetings of Shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg Law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the general meeting (the "**Record Date**"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

Financial periods of the Company end on 30 September in each year (and ended for the first time on 30 September 2023). The annual report containing the audited consolidated financial accounts of the Company expressed in EUR in respect of the preceding financial period and with details of each Sub-

Fund in the relevant Base Currency is made available at the Company's registered office, at least 8 days before the Annual General Meeting.

The semi-annual report dated as of 31 March each year (and the first time as at 31 March 2024) will be available at the Company's registered office, at the latest two months after the end of the period to which it relates.

Copies of all reports are available at the registered office of the Company.

21. TAXATION

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This tax section is a short summary of certain Luxembourg tax principles that may be or may become relevant with respect to the investments in the Company. IT DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL LUXEMBOURG TAX LAWS AND CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN, OWN, HOLD, OR DISPOSE OF SHARES. IT DOES NOT CONSTITUTE AND SHOULD NOT BE CONSIDERED AS TAX ADVICE TO ANY PARTICULAR INVESTOR OR POTENTIAL INVESTOR. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

21.1. Taxation of the Company

The Sub-Funds are, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on their Net Asset Value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is applicable to UCIs as well as individual sub-funds of UCIs with multiple compartments that are authorised as money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds ("**Regulation (EU) 2017/1131**"), without prejudice to Article 175, letter b) of the 2010 Law. A reduced subscription tax rate of 0.01% per annum is also applicable to any Sub-Fund or Class provided that their shares are only held by one or more Institutional Investor.

The subscription tax rates mentioned above would only apply to the net assets invested in Qualifying Activities.

A Subscription tax exemption applies to:

- the portion of any Sub-Fund's assets (*pro rata*) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject itself to the subscription tax;
- any Sub-Fund (i) whose securities are reserved for Institutional Investor(s), and (ii) that are authorised as short-term money market funds in accordance with Regulation (EU) 2017/1131, and (iii) that have obtained the highest possible rating from a recognised rating agency. If several Classes are in issue in the relevant Sub-Fund meeting (ii) to (iii) above, only those Share Classes meeting (i) above will benefit from this exemption;

- any Sub-Fund whose main objective is the investment in microfinance institutions;
- any Sub-Fund, (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognized and open to the public and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Classes are in issue in the relevant Sub-Fund meeting (ii) above, only those Classes meeting (i) above will benefit from this exemption;
- any Sub-Fund if the securities issued by the relevant Sub-Fund are reserved for (i) institutions for occupational retirement pension and similar investment vehicles, set-up on the initiative of one or more employer for the benefit of their employees and (ii) companies of one or more employers investing funds they hold to provide retirement benefits to their employees and (iii) savers in the context of a pan-European personal pension product established under Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European personal pension product (PEPP). If there are several Classes within the relevant Sub-Fund, the exemption applies only to those Classes whose securities are reserved for the investors referred to in points (i), (ii) and (iii) of this paragraph; and
- any Sub-Fund that is authorised as European long-term investment funds within the meaning of Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long term investment funds, as amended.

21.2. Withholding tax

Investor withholding tax

Distributions made by the Company as well as capital gains realised on a disposal or a redemption of Shares are not subject to withholding tax in Luxembourg.

Withholding tax in source countries

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of the investments. However, the Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions by the Company as well as liquidation proceeds and capital gains derived therefrom are made free and clear from withholding tax in Luxembourg.

21.3. Taxation of the Shareholders

Luxembourg Resident Shareholders

i) Individual Shareholders

A Luxembourg resident individual Shareholder is subject to Luxembourg personal income tax levied at progressive rates with respect to income or gains derived from the Shares.

Capital gains realised upon the disposal of the Shares held by a resident individual Shareholder who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation:

- Speculative gains are subject to income tax at progressive ordinary rates if the Shares are disposed of within six months after their acquisition.
- Capital gains realised on a substantial participation more than six months after the acquisition thereof are taxed at half the average combined tax rate.

ii) Corporate Shareholders

A fully taxable resident corporate Shareholder will in principle be subject to corporate income tax, municipal business tax and employment fund surcharge) at ordinary rate ("**Corporation Taxes**"), in respect of income or gain derived from the Shares.

Luxembourg corporate resident Shareholders which benefit from a special tax regime, such as, for example, (i) UCI subject to the 2010 Law, (ii) specialized investment funds subject to the law of 13 February 2007 relating to specialized investment funds, (iii) reserved alternative investment funds (not opting for the treatment as a venture capital vehicle for Luxembourg tax purposes) subject to the law of 23 July 2016 relating to reserved alternative investment funds or (iv) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies, are exempt from Corporation Taxes in Luxembourg and are instead subject to an annual subscription tax (*taxe d'abonnement*).

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Shareholder subject to net wealth tax levied on a yearly basis at a rate of 0.5%. A reduced rate of 0.05% is available for the part of the net wealth exceeding EUR 500,000,000.

Luxembourg corporate resident Shareholders which benefit from a special tax regime, such as, for example, (i) UCI subject to the 2010 Law, (ii) vehicles governed by the law of 22 March 2004 on securitization, (iii) companies governed by the law of 15 June 2004 on venture capital vehicles, (iv) specialized investment funds subject to the law of 13 February 2007 relating to specialized investment funds, (v) reserved alternative investment funds subject to the law of 23 July 2016, relating to reserved alternative investment funds or (vi) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies, or (vii) professional pension institutions governed by the law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital and pension savings associations are exempt from net wealth tax.

A minimum net wealth tax may however be due under certain circumstances by certain resident corporate Investors.

Non-resident Shareholders

Non-resident Shareholders without a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Shares are attributable, are not, in principle, subject to any capital gains tax, income tax, withholding tax or net wealth tax in Luxembourg.

The tax consequences for Shareholders wishing to purchase, subscribe, acquire, hold, convert, sell, redeem or dispose Shares will depend on the relevant laws of any jurisdiction to which the Shareholder is subject.

Residence

An Investor will not become resident, or deemed to be resident, in Luxembourg by reason only of holding the Shares.

21.4. Automatic Exchange of Information

CRS

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information on a global basis.

On 29 October 2014, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("**DAC2**") was adopted to implement the CRS among the EU Member States. The CRS and the DAC2 were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (**"CRS Law"**).

The CRS Law requires Luxembourg financial institutions to identify their financial account holders (including certain entities and their controlling persons) and establish if they are fiscally resident in (i) an EU Member State other than Luxembourg or (ii) a jurisdiction which has signed the Multilateral Agreement and which is identified in the list of reportable jurisdictions published by Grand Ducal Decree ("**CRS Reportable Accounts**"). The first official list of CRS reportable jurisdictions was published on 24 March 2017 and is updated from time to time. Luxembourg financial institutions will then report the information on such CRS Reportable Accounts to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Management Company, in its capacity as the Company's management company, may require its investors to provide information or documentation in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status; and report information regarding an investor and his/her/its account holding in the Company to the Luxembourg tax authorities (*Administration des Contributions Directes*) if such an account is deemed a CRS Reportable Account under the CRS Law.

By investing in the Company, the investors acknowledge that (i) the Company is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will *inter alia* be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the tax authorities of CRS reportable jurisdictions; (iv) responding to CRS-related questions is mandatory; and (v) the investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Company reserves the right to refuse any subscription for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Prospective Investors should consult their professional advisor on the individual impact of the CRS.

DAC6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("**DAC6**"). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the "**DAC6 Law**").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, meet one or more "hallmarks" provided for in the DAC6 Law that is coupled in certain cases, with the main benefit test (the "**Reportable Arrangements**").

In the case of a Reportable Arrangement, the information that must be reported includes *inter-alia* the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with the persons that design, market, organise make available for implementation or manage the implementation of the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called "**intermediaries**"). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

Since January 1, 2021, Reportable Arrangements must be reported within thirty days from the earliest of (i) the day after the Reportable Arrangement is made available for implementation or (ii) the day after the Reportable Arrangement is ready for implementation or (iii) the day when the first step in the implementation of the Reportable Arrangement has been made.

The information reported will be automatically exchanged between the tax authorities of all Member States.

In light of the broad scope of the DAC6 Law, transactions carried out by the Company may fall within the scope of the DAC6 Law and thus be reportable.

21.5. FATCA

The Foreign Account Tax Compliance Act ("**FATCA**") requires financial institutions outside the U.S. ("**foreign financial institutions**" or "**FFIs**") to pass information about "**Financial Accounts**" held by "**Specified U.S. Persons**", directly or indirectly, to the U.S. tax authorities (the Internal Revenue Service, "**IRS**") on an annual basis. A 30% withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**Luxembourg IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA ("**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its financial account holders (including certain entities and their controlling persons) that are Specified U.S. Persons for FATCA purposes ("**FATCA Reportable Accounts**"). Any such information on FATCA Reportable Accounts provided to the Company will be shared with the Luxembourg tax authorities (*Administration des Contributions*

Directes) which will exchange that information on an automatic basis with the IRS.

The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Management Company, in its capacity as the Company's management company, may:

a) request information or documentation, including W-9 or W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of an Investor's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that Investor's FATCA status;

b) report information concerning an Investor and his/her/its account holding in the Company to the Luxembourg tax authorities (*Administration des Contributions Directes*) if such account is deemed a FATCA Reportable Account under the FATCA Law and the Luxembourg IGA;

c) deduct applicable U.S. withholding taxes from certain payments made to an Investor by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and

d) divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

By investing in the Company, the Investors acknowledge that (i) the Company is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will inter alia be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the IRS; (iv) responding to FATCA-related questions is mandatory; and (v) the Investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Company reserves the right to refuse any subscription for Shares if the information provided or not provided does not satisfy the requirements under FATCA, the FATCA Law and the Luxembourg IGA.

Prospective Investors should consult their professional advisor on the individual impact of FATCA.

21.6. Prospective investors

Prospective investors should inform themselves of, and whether appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls) applicable to the subscription, purchase, holding conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation and the current tax status of the Company in Luxembourg.

21.7. Applicable law

The Luxembourg District Court is competent for all legal disputes between the Shareholders and the Company. Luxembourg law applies. The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

22. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS

22.1. Liquidation of the Company

With the consent of the Shareholders expressed in the manner provided for by Articles 450-3 and 1100-2 of the 1915 Law, the Company may be liquidated.

If at any time the value at their respective Net Asset Values of all outstanding Shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg Law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of Shareholders acting, without minimum quorum requirements, by a simple majority decision of the Shares represented at the meeting.

If at any time the value at their respective Net Asset Values of all outstanding Shares is less than one quarter of the minimum capital for the time being required by Luxembourg Law, the Directors must submit the question of dissolution of the Company to a general meeting, acting without minimum quorum requirements and a decision to dissolve the Company may be taken by the Shareholders owning one quarter of the Shares represented at the meeting.

Any voluntary liquidation will be carried out in accordance with the provisions of the 2010 Law and the 1915 Law which specify the steps to be taken to enable Shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignation* of any such amounts to the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

22.2. Liquidation, merger, split or consolidation of Sub-Fund(s)/Classes

The Directors may decide to liquidate a Sub-Fund / Class if the net assets of such Sub-Fund / Class fall below EUR 15,000,000 or its equivalent in the relevant Reference Currency of the Sub-Fund or Class or if the Net Asset Value of a Class has decreased to, or has not reached, the minimum level for that Class to be managed and/or administered in an efficient manner or if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if the interests of the Shareholders would justify it. The decision of the liquidation will be published or notified to the Shareholders by the Company as decided from time to time by the Directors, prior to the effective date of the liquidation and the publication/notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares (free of charge). Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the

Sub-Fund or Class concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for Shareholders' approval, the decision to liquidate a Sub-Fund or Class may be taken at a meeting of Shareholders of the Sub-Fund or Class to be liquidated instead of being taken by the Board of Directors. At such Class or Sub-Fund meeting, no quorum shall be required and the decision to liquidate must be approved by Shareholders with a simple majority of the votes cast. The decision of the meeting will be notified to the Shareholders and/or published by the Company. The decision to liquidate the last Sub-Fund of the Company will be taken with the consent of the Shareholders in accordance with the provisions of Section 22.1 above.

Any split or consolidation of a Sub-Fund/Class of Shares shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a split/consolidation to a meeting of Shareholders of the Sub-Fund (or Class as the case may be) concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

The Directors may decide to merge any Sub-Fund with another existing Sub-Fund within the Company (the "**new Sub-Fund**") and to redesignate the Shares of the Classes concerned as Shares of the new Sub-Fund. The Directors may also decide to merge any Sub-Fund with another undertaking for collective investment organised under the provisions of Part I of the 2010 Law or under the legislation of a Member State of the European Union, or a member state of the European Economic Area, implementing Directive 2009/65/EC or with a compartment within such other undertaking for collective investment.

The Directors may also decide to submit the decision for a merger to a meeting of Shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of Shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition, the provisions on mergers of UCITS set forth in the 2010 Law and any implementing regulation (relating in particular to the notification to the Shareholders concerned) shall apply.

23. PROCESSING OF PERSONAL DATA

The Company (the "**Controller**") processes information relating to several categories of identified or identifiable natural persons (including in particular, but not limited to, prospective or existing investors in the Company, their beneficial owners and other natural persons related to prospective or existing investors in the Company) who are hereby referred to as the "Data Subjects".

This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the "Data Subjects" or from other sources (including intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

Detailed and up-to-date information regarding the processing of Data by the Controller is contained in a privacy notice (the "**Privacy Notice**"). All persons contacting, or otherwise dealing directly or indirectly with, any of the Controller or their service providers in relation to the Company are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to the Company at the registered office of the Company for the attention of the Board of Directors.

The Privacy Notice is available and can be accessed at the registered office of the Company.

The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originates, and the existence of automated decision-making, including profiling;

- that Data will be disclosed to several categories of recipients; that some of these recipients are processing the Data on behalf of the Controller (the "**Processors**"); that the Processors include the majority of the service providers of the Controller; and that Processors shall act as processors on behalf of the Controller and may also process Data as controllers for their own purposes;

- that Data will be processed by the Controller and the Processors for several purposes (the "**Purposes**") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investments in the Company, (ii) enabling the Controller and Processors to perform their services for the Company, and (iii) enabling the Controller and Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;

- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;

- that any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;

- that failure to provide certain Data may result in the inability to deal with or maintain an investment in the Company;

- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;

- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to

lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All persons contacting, or otherwise dealing directly or indirectly with, the Controller or its service providers in relation to the Company acknowledge that they have obtained and/or have been provided access to the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controller; that they may be notified of any change to or update of the Privacy Notice by any means that the Controller deems appropriate; that they have authority to provide or cause to provide any Data relating to third-party natural persons to the Controller; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons whose Data may be processed; that these third-party natural persons have been informed of the processing of the Data by the Controller and the Processors as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will notify this change to these third-party natural persons accordingly; and that they shall indemnify and hold the Controller harmless from and against any and all liability arising from any breach of the foregoing.

In case the Depositary receives investors' data, such data might be accessible and/or transferred by the Depositary to other entities controlled by the UBS Group AG currently or in the future as well as third-party service providers (the "**UBS Partners**"), in their capacity as service providers on behalf of the Depositary. UBS Partners are domiciled in the EU or in countries located outside the EU but with an adequate level of data protection (on the basis of an adequacy decision by the European Commission) such as Switzerland. Data could be made available to UBS entities located in Poland, the UK, Switzerland, Monaco, and Germany as well as other branches of UBS Europe SE (in Austria, France, Italy, Spain, Denmark, Sweden, Switzerland and Poland), for the purpose of outsourcing certain infrastructure (e.g. telecommunication, software) and/or other tasks in order to streamline and/or centralize a series of processes linked to the finance, operational, back-office, credit, risk, or other support or control functions. Further information about the outsourcing and processing of personal data by the Depositary is available at https://www.ubs.com/lux-europe-se.

24. BENCHMARK REGULATION

Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as amended from time to time (the "**Benchmark Regulation**") came into full effect on 1 January 2018. The Benchmark Regulation obliges benchmark administrators providing certain types of indices which are used or intended to be used as benchmarks in the European Union to be authorized or registered by the competent authority. Where a Sub-Fund uses a critical benchmark, a significant benchmark, a commodity benchmark subject to Annex II of the Benchmark Regulation, a "Climate Transition Benchmark" or a "Paris-Aligned Benchmark", such benchmark is provided by an administrator included in the register of benchmark administrators and benchmarks kept by ESMA in accordance with the Benchmark Regulation.

The following benchmarks are used by the Sub-Funds as further detailed in the Sub-Fund Particulars.

Sub-Funds	Benchmark
Effectual Capital Fund SICAV - Global Sustainable Equities	MSCI World Index (NDDUWI)
Effectual Capital Fund SICAV - European Sustainable Equities	Bloomberg European Equities Externality Efficient X Net Return Index
Effectual Capital Fund SICAV - Global Sustainable Corporate Bonds	Bloomberg Global Aggregate Corporate Index (LGCPTRUU)

The benchmark MSCI World Index (NDDUWI) is provided by MSCI Limited, the benchmark administrator of this benchmark, which is not included in the register of administrators maintained by ESMA. However, the use of these benchmarks is permitted during the transitional period provided for in article 51 of the EU Benchmark Regulation.

The benchmarks Bloomberg European Equities Externality Efficient X Net Return Index and Bloomberg Global Aggregate Corporate Index (LGCPTRUU) are provided by Bloomberg Index Services Limited, the benchmark administrator of these benchmarks, which is included in the register of administrators maintained by ESMA.

The Management Company maintains a written plan setting out the actions that will be taken in the event of a benchmark materially changing or ceasing to be provided. Further information on the plan is available on request and free of charge from the Management Company's registered office.

25. DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINTS

25.1. Documents available for inspection

The following documents are available for inspection during usual business hours on any Business Day at the registered office of the Company:

i) The Articles of Incorporation;

ii) The most recent Prospectus;

iii) The KIDs;

iv) The latest annual and semi-annual reports; and

v) The material agreements of the Company.

In addition, the following documents may be obtained free of charge upon request at the registered office of the Company:

i) copies of the Articles of Incorporation;

ii) the most recent Prospectus;

iii) the KIDs; and

iv) the latest financial reports.

In addition, the KIDs may be obtained in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

25.2. Information to the Shareholders

Any relevant notifications or other communications to Shareholders concerning their investment in the Sub-Funds (including changes to the Prospectus) may be posted on the website www.effectual.fund. The Shareholders are therefore invited to regularly consult this website. Such notifications or communications may also be communicated to a Shareholder via electronic means of communication in accordance with applicable Luxembourg laws and regulations, in case the Shareholder has consented and provided an e-mail address to the Management Company or its delegate. In addition, and where required by Luxembourg law or the CSSF, Shareholders will also be notified in writing or in such other manner as prescribed under Luxembourg law.

25.3. Queries and complaints

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Company or the Management Company. Further information regarding the Company and its Sub-Funds can also be found at www.effectual.fund.

SUB-FUND PARTICULARS 1

Effectual Capital Fund SICAV - Global Sustainable Equities

1. Name of the Sub-Fund

Effectual Capital Fund SICAV - Global Sustainable Equities (the "**Sub-Fund**")

2. Base Currency

USD

3. Investment objective, policy and strategy

Investment Objective

The Sub-Fund's investment objective is to achieve superior sustainable returns-to-risk, while targeting financial returns-to-risk commensurate with the MSCI World Index (NDDUWI) (the "**Benchmark**") through investments in an actively managed diversified portfolio of global equities. The Investment Manager will apply the ESG strategy described below.

Investment Policy

The Sub-Fund's net assets will be primarily invested in equities and equity related securities of companies on a global basis. Those equities and equity related securities are mainly but not exclusively selected among the components of the Benchmark.

The Sub-Fund may also invest, for liquidity management purposes:

(i) in Money Market Instruments, money market funds and deposits;
(ii) in UCITS and other UCIs; and
(iii) up to 20% in global sovereign or corporate bonds which have at least an investment grade rating (i.e. at least BBB-) by major rating agencies.

The Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets (bank deposits at sight, such as cash held in current accounts).

Under exceptionally unfavourable market conditions (e.g. market crash, major crisis, adverse market conditions or periods of increased market volatility such as during periods of political or economic instability etc.) and if justified in the interest of the investors, the Sub-Fund may be invested temporarily up to 100% of its net assets in ancillary liquid assets and other liquid instruments.

The Sub-Fund may use financial derivative instruments (such as futures/forward contracts) for hedging purposes and efficient portfolio management purposes. The assets underlying these financial

derivative instruments will be transferable shares, indices based on transferable shares, foreign currency or exchange rates.

The selection of assets will be determined by the Investment Manager by using (i) financial information on the targeted investments and (ii) applying the ESG strategy, as further detailed below.

ESG Strategy

Sustainability risk and environmental, social and governance ("**ESG**") characteristics are taken into account as a central part, and at various stages, of the Sub-Fund's selection process.

The Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR, as set out in detail in Appendix 1.

The Sub-Fund pursues a sustainable investment strategy seeking superior Sustainable Returns-to-risk (as further defined below), subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practises.

The Sub-Fund's ESG investment strategy is implemented via a two-stage investment process:

In a **first step**, an ESG screening is applied to exclude companies from the investment universe that do not satisfy minimum standards regarding ESG characteristics.

The basis of the ESG screening is information on companies (for example company sustainability reports), third-party data as well as different ESG principles (such as UN Global Compacts, Oslo Convention, PRI Principles). The assessment will be made on the basis of the data available and subject to the limitations due to potential lack of data.

The ESG screening seeks in essence to exclude the investee companies which are not satisfying minimum requirements with respect to environmental and social factors. Investee companies such as the following are excluded:

- controversial weapons producers;
- severe violations of UN Global Compact;
- coal producers;
- tobacco manufacturers.

The Sub-Fund excludes investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, as may be amended from time to time.

In a **second step** relating to portfolio optimization, the Sub-Fund's portfolio is selected from the remaining companies in the investment universe by optimizing the Sustainable Return-to-risk of the portfolio, subject to various risk controls.

"**Sustainable Returns**" are at the core of the "**Effectual Sustainable Investment Concept**". The Sustainable Return of the Sub-Fund is the weighted sum of the investee companies' Sustainable Returns. Sustainable Returns is a concept explicitly incorporating both (i) financial measures ("**Financial Returns**") and (ii) the impact of investee companies on sustainability factors, i.e., environmental or social factors ("**ESG Factors**"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "**ESG Externalities**"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by the investee companies. The analysis is however limited by the availability of data.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact. The Effectual Sustainable Investment Concept is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of ESG Externalities includes economic measure of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

By seeking superior Sustainable Returns, the Sub-Fund's investment strategy pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

More specifically, the approach selects or overweighs, within the limits imposed by portfolio risk controls, investee companies with an optimal trade-off of expected financial performance and expected sustainable performance, i.e., a good overall performance with respect to all environmental and social objectives as measured by external effects and captured, at the time of application, by the Effectual Sustainable Investment Concept.

The resultant Sub-Fund's portfolio is weighted towards companies exhibiting significantly better ESG Externalities (either positive or significantly less negative) than average, i.e., the resultant Sub-Fund's portfolio is weighted towards companies that have either positive impact on sustainability factors or significantly less negative impact on sustainability factors than average.

The Sub-Fund may invest in underlying investments that may contribute to (i) climate change mitigation and/or climate change adaptation, (ii) the sustainable use and protection of water and marine resources, (iii) the transition to a circular economy, (iv) pollution prevention and control and (v) the protection and restoration of biodiversity and ecosystems.

In addition to this two-stage investment process, principal adverse impacts of investment decisions on sustainability factors will be considered, when buying securities, money market instruments and

investment units, ("**Principal Adverse Impact**" or "**PAI**"). Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are considered. When selecting securities and money market instruments of companies and when buying investment units, PAI can be considered by 1) the definition of exclusion criteria, 2) evaluation using various sustainability indicators in the context of integration or 3) conducting corporate dialogs and exercising voting rights. This means that PAIs can be considered through different ESG strategies.

Taxonomy

As at the date of this Prospectus, the Investment Manager expects that the proportion of the Sub-Fund's investments in taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities) amounts to 0%. As information is not yet readily available from investee companies' public disclosures, the proportion is calculated using a combination of information on taxonomy-alignment obtained from investee companies and third-party providers. As soon as data will become more accurate and available, it is expected that the proportion of investments in enabling and transitional activities will grow.

The "do no significant harm" principle applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The EU criteria for environmentally sustainable economic activities are those as specifically defined in Regulation (EU) 2020/852. The ESG strategy of this Sub-Fund is based on taking into consideration ESG Externalities, i.e. the effects of economic activities on environmental and social factors, in the investment decision making process, and is not restricted to financing particular economic activities as defined by Regulation (EU) 2020/852.

Benchmark

MSCI World Index (NDDUWI)

The Sub-Fund is actively managed and uses the Benchmark for asset allocation purposes. The Benchmark is chosen to represent the main investable universe for the Sub-Fund. Generally, the Sub-Fund will mainly invest its net assets, excluding cash and cash equivalents as well as instruments used for efficient portfolio management, in the components of this Benchmark but investments outside the Benchmark's constituents may also be made.

The weightings of the securities held in the Sub-Fund's portfolio may deviate significantly from the Benchmark's weightings as the Sub-Fund may not invest in several components of the Benchmark and

may also not invest the same proportion of its net assets than the Benchmark in the components of the Benchmark.

However, the Sub-Fund does not specifically use a benchmark index in order to achieve any objective relating to environmental and social characteristics.

Liquidity Management Tools ("LMTs")

The following liquidity management tools may be applied, where appropriate, in order to manage liquidity risk:

(i) the suspension of the redemption of Shares in the circumstances described in Section 11.2 “Temporary suspension” of the General Part of this Prospectus;

(ii) the deferral of redemption requests in accordance with Section 7.5 “Deferral of redemptions” of the General Part of this Prospectus;

(iii) in certain circumstances, the settlement of redemption requests in kind, as further described under “Redemptions in kind” in Section 7.2 “Settlement” of the General Part of this Prospectus.

4. Investment Manager and ESG Consultant

The Management Company has appointed Quoniam Asset-Management GmbH, a company incorporated under the laws of Germany and having its registered office at Westhafen Tower, Westhafenplatz 1, 60327 Frankfurt am Main, Germany and being licensed by the Federal Financial Supervisory Authority (BaFin) under number 10116298, as the Investment Manager of the Sub-Fund.

The Company has appointed Effctl Capital GmbH, a company incorporated under the laws of Germany and having its registered office at Bruderstrasse 1, 80538 München, Germany, as sustainability consultant in order to provide research and analysis in relation to the investments to be made by the Sub-Fund (the "ESG Consultant"). The ESG Consultant does not provide investment recommendations but provides the framework for the sustainable investment components of the investment policy based on its Effectual Sustainable Investment Concept. The ESG Consultant is among others providing the Company with ESG data and sustainable investment guidelines (including ESG criteria, exclusion lists etc.), models and quantitative formulas for the selection of sustainable investments and information on data providers and monitoring, as well as critical input to the calculations, specific risk measures and tracking errors.

The ESG Consultant will be paid out of the Investment Management Fee, as further described below.

5. Currency Hedging Service Provider

The Management Company has appointed finccam Investment GmbH as Currency Hedging Service Provider. The Currency Hedging Service Provider is in charge of the currency hedging of the Currency Hedged Classes.

In accordance with the provisions of the general part of the Prospectus, the Currency Hedging Service Provider has a discretion as to the hedging strategy.

The Currency Hedging Service Provider is a company established under the laws of Germany, licensed by the Federal Financial Supervisory Authority (BaFin) and whose registered office is located at Ganghoferstraße 70, 80339 München, Germany.

The Currency Hedging Service Provider will receive a remuneration, as further described below.

6. Distributors

The Management Company, acting in a distribution function, will be remunerated out of the Management Company Fee.

At the date of this Prospectus, the Management Company has appointed Quoniam Asset-Management GmbH in relation to the distribution of the Sub-Fund. The distributor will be remunerated out of the Investment Management Fee.

7. Profile of the typical investor

The Sub-Fund's risk profile is such that you should have an investment horizon of at least five years.

The Sub-Fund may be appropriate for investors who:

- seek capital appreciation over the long term,

- do not seek current income from their investment,

- are willing to take on the increased risk associated with the investment.

8. Classes of Shares available for subscription

Class of Shares	**Reference Currencies**	**Minimum initial investment amount**	**Subsequent subscription amounts**	**Dividend distribution policy**	**Eligible Investors**	**Launch date**
H ACC USD	USD	EUR 1 million (or equivalent in the relevant Reference Currency)	EUR 1,000 (or equivalent in the relevant Reference Currency)	ACC	Institutional Investors	At the discretion of the Board of Directors
H ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
H DIS USD	USD			DIS	Institutional Investors	At the discretion of the Board of Directors

H DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
H DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
H ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
H ACC GBP	GBP			ACC	Institutional Investors	At the discretion of the Board of Directors
H ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
HA ACC h EUR	EUR			ACC	all investors	At the discretion of the Board of Directors
I DIS USD	USD	EUR 20 million (or equivalent in the relevant Reference Currency)		DIS	Institutional Investors	At the discretion of the Board of Directors
I DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
I ACC USD	USD			ACC	Institutional Investors	At the discretion of the Board of Directors
I ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
I ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
I DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of

						the Board of Directors
I ACC GBP	GPB			ACC	Institutional Investors	At the discretion of the Board of Directors
I ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC USD	USD	EUR 30 million (or equivalent in the relevant Reference Currency)		ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
S DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
S ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC h CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
S DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
S ACC GBP	GBP			ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
Z ACC USD	USD	EUR 50 million (or equivalent in		ACC	Institutional Investors	At the discretion of the Board of Directors

Z ACC EUR	EUR	the relevant Reference Currency)		ACC	Institutional Investors	At the discretion of the Board of Directors
Z DIS USD	USD			DIS	Institutional Investors	At the discretion of the Board of Directors
Z DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
Z ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
Z ACC h CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
Z DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
R ACC EUR	EUR	EUR 10,000		ACC	all investors	At the discretion of the Board of Directors
P ACC EUR	EUR	N/A	N/A	ACC	all investors	At the discretion of the Board of Directors

The minimum initial investment amount and subsequent subscription amounts may be waived or reduced at the discretion of the Board of Directors.

The Share Classes launched after 31 October 2023 will be launched at 100 in the relevant Reference Currency.

Currency Hedged Classes (identified by the suffix "h") apply the portfolio hedging method as further described in the general part of the Prospectus.

9. Fees and expenses

The fees detailed in the table below shall be calculated as further defined in the general part of the Prospectus.

Class of Shares	S	I	H	HA	Z	R	P
Investment Management Fee*	up to 35 bps	up to 40 bps	up to 50 bps	up to 50 bps	N/A	up to 100 bps	up to 150 bps
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sales Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Currency hedging fee**	The Currency Hedging Service Provider will receive a remuneration of 6 bps per annum based on the assets under management of the relevant Currency Hedged Class. This fee will be accrued on each Valuation Day and payable quarterly in arrears.						

(*) The Investment Management Fee, to be paid out of the assets of the Sub-Fund, is used to pay the Investment Manager[1], the ESG Consultant and the distributors/sub-distributors.

(**) Only applicable to Currency Hedged Classes (identified by the suffix "h").

10. Valuation Day and Net Asset Value calculation

With respect to this Sub-Fund, a Valuation Day means any day on which banks are open the whole day for non-automated business in Luxembourg, except for the 24 and 31 December.

The Net Asset Value per Share of each Class will be calculated for each Valuation Day and will be available from the Administration Agent. The publication of the Net Asset Value will usually take place on the next Business Day after a Valuation Day.

[1] In accordance with the provisions of the agreement between the Company, the Management Company and the Investment Manager, the Investment Manager will receive from the Sub-Fund of at least USD 62,500 for 3 months (a minimum fee of USD 250,000 per annum).

11. Business Day

With respect to this Sub-Fund, a Business Day means each Valuation Day.

12. Subscription

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for subscribed Shares has to be made no later than two Business Days after the relevant Valuation Day.

13. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated for the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated for that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

14. Conversions

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Business Day.

15. Historical Performance

The KID includes a link to the information on the Sub-Fund's historical performance, if available.

16. Dividends

Income and capital gains arising in the Sub-Fund in relation to Accumulating Shares (ACC) will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation Distributing (DIS) Shares will be distributed in part or in total at least annually.

17. Use of leverage and calculation of global exposure

The relative value-at-risk (VaR) approach is used to monitor and measure the global exposure of the Sub-Fund. The level of leverage is not expected to be in excess of 300% of the Net Asset Value of the Sub-Fund under the sum of notionals approach.
In case of significant in-/outflow, the leverage could be temporary higher.

18. Specific risk warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus and especially to the risk considerations relating to:

- Market risk
- Foreign exchange risk and currency hedging risk
- Equity investment risks
- Liquidity risk
- Exchange traded fund risk
- Political and country risks
- General economic conditions
- Operational risks
- ESG risks
- Risk of realizing real yield

19. Qualification as Equity Fund under the German Investment Tax Act (InvStG 2018)

The Sub-Fund is subject to the investment restriction as defined in § 2 (6) InvStG 2018 pursuant to which the Sub-Fund will continuously (*fortlaufend*) invest more than 50% of its value in equity participations (*Kapitalbeteiligungen*) within the meaning of § 2 (8) InvStG 2018 including:

(1) Shareholdings in a corporation listed on a stock exchange or a regulated market,

(2) Shareholdings in a corporation which is not a real estate company and is either
   a. resident and subject to corporate income taxation without being exempted from it in a member state of the European Union or in a contracting State of the treaty on the European Economic Area, or
   b. resident and subject to corporate income taxation of at least 15% in a third country,

(3) Investment participations in equity funds (*Aktienfonds*) within the meaning of § 2 (6) InvStG 2018 in an amount of 51% of the investment participation's value or, if the equity fund's (*Aktienfonds*) investment restrictions provide for a higher percentage of investments in equity participations, in a correspondingly higher amount, or

(4) Investment participations in balanced funds (*Mischfonds*) within the meaning of § 2 (7) InvStG 2018 in an amount of 25% of the investment participation's value or, if the balanced fund's (*Mischfonds*) investment restrictions provide for a higher percentage of investments in equity participations, in a correspondingly higher amount.

Investment participations other than those within the meaning of (3) and (4) of the foregoing sentence do not qualify as equity participations (*Kapitalbeteiligungen*). However, in case of investment participations, the Sub-Fund may calculate its quota of its investments in equity participations (*Kapitalbeteiligungsquote*) by taking into account the relevant fund's published quota of investments in equity participations (*Kapitalbeteiligungsquote*) per each valuation day (*bewertungstäglich*) of the relevant fund. The Sub-Fund continuously controls that its quota of investments in equity participations (*Kapitalbeteiligungsquote*) is more than 50% of its value.

SUB-FUND PARTICULARS 2

Effectual Capital Fund SICAV - European Sustainable Equities

1. Name of the Sub-Fund

Effectual Capital Fund SICAV - European Sustainable Equities (the "**Sub-Fund**")

2. Base Currency

EUR

3. Investment objective, policy and strategy

Investment Objective

The Sub-Fund is passively managed and its investment objective is to provide investors with a return in line with the performance of the Bloomberg European Equities Externality Efficient X Net Return Index (the "**Index**").

Investment Policy

The Sub-Fund's net assets will be primarily invested in equities and equity related securities. From time to time non-Index constituents may be held as a result of a corporate action by an entity which is included in the Index (e.g. a spin-off, share takeover or merger of a company listed in the Index) or other factors outside of the Sub-Fund's control (such as for example a rebalancing of the Index). The disposal of these securities is at the discretion of the Investment Manager.

The Sub-Fund may also invest, for liquidity management purposes:

(i) in Money Market Instruments, money market funds and deposits;
(ii) in UCITS and other UCIs; and
(iii) up to 20% in global sovereign or corporate bonds which have at least an investment grade rating (i.e. at least BBB-) by major rating agencies.

The Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets (bank deposits at sight, such as cash held in current accounts).

Under exceptionally unfavourable market conditions (e.g. market crash, major crisis, adverse market conditions or periods of increased market volatility such as during periods of political or economic instability etc.) and if justified in the interest of the investors, the Sub-Fund may be invested temporarily up to 100% of its net assets in ancillary liquid assets and other liquid instruments.

The Sub-Fund may use financial derivative instruments (such as futures/forward contracts) for hedging purposes and efficient portfolio management purposes. The assets underlying these financial

derivative instruments will be transferable shares, indices based on transferable shares, foreign currency or exchange rates.

The selection of assets will be determined by the Investment Manager with the aim of tracking the Index by using a sampling approach which will attempt to ensure the Sub-Fund has similar characteristics as the Index whilst not necessarily holding all of the constituents of the Index, as further detailed below.

The Sub-Fund uses index 'sampling' techniques to select securities as it could be expensive and inefficient to buy and sell all of the securities held in the Index. The Sub-Fund may select securities which provide similar exposure or risk characteristics to constituents of the Index even if such securities are not themselves constituents of the Index. The Sub-Fund selects a representative sample of securities that approximate the full Index in terms of key risk factors and other characteristics. These factors include industry weights, country weights, market capitalisation and other financial characteristics of Index constituents. Investors should note there is the risk that while the Sub-Fund is expected to track the Index as closely as possible, it typically will not match exactly the performance of the targeted Index. As a result of this, there will be a tracking error that is the difference between the performance of the Index and the Sub-Fund's performance. The anticipated level of tracking error of the Sub-Fund will be up to 0.50% under normal market conditions.

It should also be noted that:

- exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets, may arise which cause the Sub-Fund's tracking accuracy to diverge substantially from the Index;
- due to various factors, including the Sub-Fund's fees and expenses involved, the concentration limits, other legal or regulatory restrictions, it may not be possible or practicable to purchase all of the constituents in proportion to their weighting in the Index or purchase certain of them at all.

Please also refer to the section "Information on the Index" below.

Liquidity Management Tools ("LMTs")

The following liquidity management tools may be applied, where appropriate, in order to manage liquidity risk:

(i) the suspension of the redemption of Shares in the circumstances described in Section 11.2 "Temporary suspension" of the General Part of this Prospectus;

(ii) the deferral of redemption requests in accordance with Section 7.5 "Deferral of redemptions" of the General Part of this Prospectus;

(iii) in certain circumstances, the settlement of redemption requests in kind, as further described under "Redemptions in kind" in Section 7.2 "Settlement" of the General Part of this Prospectus.

ESG Strategy

Sustainability risk and environmental, social and governance ("**ESG**") characteristics are taken into account by the Sub-Fund and as a central part, and at various stages, of the Index construction process, detailed below.

The Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR, as set out in detail in Appendix 1.

Information on the Index

The Index is administered by Bloomberg Index Services Limited. The Index is derived from the constituents and weights of the benchmark "Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index" (the "**Benchmark**").

Generally, the Sub-Fund will mainly invest its net assets, excluding cash and cash equivalents as well as instruments used for efficient portfolio management, in the components of this Index but investments outside the Index's constituents may also be made. In this respect, the Sub-Fund is expected to track the Index as closely as possible, but it typically will not match exactly the performance of the targeted Index.

The Index is reviewed and rebalanced on a quarterly basis. The costs incurred by the Sub-Fund, which are associated with gaining exposure to the Index, will be impacted by the level of turnover of Index constituents when the Index is rebalanced.

The Sub-Fund will measure its performance against the Index. Investors should keep in mind that an index fund has operating expenses and costs, including taxation; a market index (also referred to as a benchmark for tracking purposes) does not.

The performance of the Sub-Fund may also be impacted by (i) the timing of investment trades in respect of investor subscription and/or redemption requests, (ii) the fair valuation of securities, (iii) the application of an alternative net asset value calculation method, (iv) imperfect correlation between the Sub-Fund's securities and those in the Index, (v) changes to the Index, and (vi) regulatory restrictions and internal policies of the Investment Manager. Therefore, an index fund, while expected to track a specific index as closely as possible, typically will not match the performance of the targeted Index exactly.

In addition, any Index calculation error may impact the selection of investments by the Sub-Fund and therefore its performance. In such a case, investors should note that neither the Index provider, the Management Company, the Investment Manager or the Sub-Fund guarantees the adequacy, accuracy, timeliness nor completeness of the Index or any data included therein and may not be subject to any damages or liability for any errors, omissions, or delays in respect of the Index or its data.

In addition, the Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities which do not comply with the Investment Manager's policies.

Index construction process

The Index aims to represent a sustainable investment strategy seeking superior Sustainable Returns-to-risk (as further defined below), subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practises.

The Index is constructed via a two-stage process:

In a **first step**, an ESG screening is applied to exclude companies from the investment universe that do not satisfy minimum standards regarding ESG characteristics.

The basis of the ESG screening is information on companies (for example company sustainability reports), third-party data as well as different ESG principles (such as UN Global Compacts, Oslo Convention, PRI Principles). The assessment will be made on the basis of the data available and subject to the limitations due to potential lack of data.

The ESG screening seeks in essence to exclude investee companies that are not satisfying minimum requirements with respect to environmental and social factors. Investee companies such as the following are excluded:

- controversial weapons producers;
- severe violations of UN Global Compact;
- coal producers;
- tobacco manufacturers.

The Index excludes investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, as may be amended from time to time.

In a **second step** relating to portfolio enhancement, the Index constituents are selected from the remaining companies in the investment universe and constituents' weights are calculated in order to enhance the Sustainable Return-to-risk of the Index, subject to various risk controls.

"**Sustainable Returns**" are at the core of the "**Effectual Sustainable Investment Concept**". The Sustainable Return of the Index is the weighted sum of the Index constituents' Sustainable Returns. Sustainable Returns is a concept explicitly incorporating both (i) financial measures ("**Financial Returns**") and (ii) the impact of investee companies, or Index constituents, on sustainability factors, i.e., environmental or social factors ("**ESG Factors**"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "**ESG Externalities**"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by the investee companies. The analysis is however limited by the availability of data.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact. The Effectual

Sustainable Investment Concept is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of ESG Externalities includes economic measure of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

By seeking superior Sustainable Returns, the investment strategy represented by the Index pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

More specifically, the approach selects or overweighs, within the limits imposed by portfolio risk controls, investee companies with an enhanced trade-off of expected financial performance and expected sustainable performance, i.e., a good overall performance with respect to all environmental and social objectives as measured by external effects and captured, at the time of application, by the Effectual Sustainable Investment Concept.

For the purposes of calculating the Index constituents' weights, Financial Returns are derived from Benchmark constituents' weights and their covariance matrix (Black Litterman methodology). The Index constituents' weights are computed by adjusting the Benchmark constituents' weights by the difference between Sustainable Returns and Financial Returns, multiplied by a suitable annuity factor, excluding Benchmark constituents for which the adjustment would lead to zero or negative weights, and rescaling so that Index weights add up to 100%. Further information on the Index methodology are available online under the following link https://assets.bbhub.io/professional/sites/27/Bloomberg-European-Equities-Externality-Efficient-X-Index-Methodology.pdf.

The resultant Index is weighted towards companies exhibiting significantly better ESG Externalities (either positive or significantly less negative) than average, i.e., the resultant Index is weighted towards companies that have either positive impact on sustainability factors or significantly less negative impact on sustainability factors than average.

The Index may comprise underlying investments that may contribute to (i) climate change mitigation and/or climate change adaptation, (ii) the sustainable use and protection of water and marine resources, (iii) the transition to a circular economy, (iv) pollution prevention and control and (v) the protection and restoration of biodiversity and ecosystems.

In this two-stage investment process, principal adverse impacts of investment decisions on sustainability factors are considered when selecting Index constituents ("**Principal Adverse Impact**" or "**PAI**"). Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are

considered. When selecting securities and money market instruments of companies and when buying investment units, PAI are considered by 1) the definition of exclusion criteria and 2) evaluation using ESG externalities as sustainability indicator in the context of integration.

Taxonomy

As at the date of this Prospectus, the Investment Manager expects that the proportion of the Sub-Fund's investments in taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities) amounts to 0%. As information is not yet readily available from investee companies' public disclosures, the proportion is calculated using a combination of information on taxonomy-alignment obtained from investee companies and third-party providers. As soon as data will become more accurate and available, it is expected that the proportion of investments in enabling and transitional activities will grow.

The "do no significant harm" principle applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The EU criteria for environmentally sustainable economic activities are those as specifically defined in Regulation (EU) 2020/852. The ESG strategy of this Sub-Fund is based on taking into consideration ESG Externalities, i.e. the effects of economic activities on environmental and social factors, in the investment decision making process, and is not restricted to financing particular economic activities as defined by Regulation (EU) 2020/852.

4. Investment Manager and ESG Consultant

The Management Company has entered into an investment management agreement in respect of the Sub-Fund with LGIM (Managers) Europe Limited ("**LGIM Europe**"), a company incorporated under the laws of Ireland and having its registered office at 70 Sir John Rogerson's Quay, Dublin 2, Ireland authorised and regulated by the Central Bank of Ireland with registration number C173733.

LGIM Europe has sub-delegated responsibility for portfolio management of the Sub-Fund to Legal & General Investment Management Limited ("**LGIM Ltd**"), a company incorporated under the laws of England and Wales and having its registered office at One Coleman Street, London, EC2R 5AA authorised and regulated by the Financial Conduct Authority, No. 119272. LGIM Ltd shall therefore act as the Investment Manager of the Sub-Fund.

The Company has appointed Effctl Capital GmbH, a company incorporated under the laws of Germany and having its registered office at Bruderstrasse 1, 80538 München, Germany, as sustainability consultant in order to provide research and analysis in relation to the investments to be made by the Sub-Fund (the "**ESG Consultant**"). The ESG Consultant does not provide investment recommendations but provides the framework for the sustainable investment components of the investment policy based on its Effectual Sustainable Investment Concept. The ESG Consultant is among others providing the Company with ESG data and sustainable investment guidelines, access to the Index, incl.

constituent data, and monitoring, as well as critical input to the calculations, specific risk measures and tracking errors.

The ESG Consultant will be paid out of the Investment Management Fee, as further described below.

5. Currency Hedging Service Provider

The Management Company has appointed finccam Investment GmbH as Currency Hedging Service Provider. The Currency Hedging Service Provider is in charge of the currency hedging of the Currency Hedged Classes.

In accordance with the provisions of the general part of the Prospectus, the Currency Hedging Service Provider has a discretion as to the hedging strategy.

The Currency Hedging Service Provider is a company established under the laws of Germany, licensed by the Federal Financial Supervisory Authority (BaFin) and whose registered office is located at Ganghoferstraße 70, 80339 München, Germany.

The Currency Hedging Service Provider will receive a remuneration, as further described below.

6. Distributors

The Management Company, acting in a distribution function, will be remunerated out of the Management Company Fee.

7. Profile of the typical investor

The Sub-Fund's risk profile is such that you should have an investment horizon of at least five years.

The Sub-Fund may be appropriate for investors who:

- seek capital appreciation over the long term,

- do not seek current income from their investment,

- are willing to take on the increased risk associated with the investment.

8. Classes of Shares available for subscription

Class of Shares	Reference Currencies	Minimum initial investment amount	Subsequent subscription amounts	Dividend distribution policy	Eligible Investors	Launch date
H ACC USD	USD	EUR 1 million (or equivalent in the relevant	EUR 1,000 (or equivalent in the relevant	ACC	Institutional Investors	At the discretion of the Board of Directors

H ACC EUR	EUR	Reference Currency)	Reference Currency)	ACC	Institutional Investors	At the discretion of the Board of Directors
H DIS USD	USD			DIS	Institutional Investors	At the discretion of the Board of Directors
H DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
H DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
H ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
H ACC GBP	GBP			ACC	Institutional Investors	At the discretion of the Board of Directors
H ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
HA ACC h EUR	EUR			ACC	all investors	At the discretion of the Board of Directors
I DIS USD	USD	EUR 20 million (or equivalent in the relevant Reference Currency)		DIS	Institutional Investors	At the discretion of the Board of Directors
I DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
I ACC USD	USD			ACC	Institutional Investors	At the discretion of the Board of Directors
I ACC EUR	EUR			ACC	Institutional Investors	At the discretion of

						the Board of Directors
I ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
I DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
I ACC GBP	GPB			ACC	Institutional Investors	At the discretion of the Board of Directors
I ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC USD	USD	EUR 30 million (or equivalent in the relevant Reference Currency)		ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
S DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
S ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC h CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
S DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
S ACC GBP	GBP			ACC	Institutional Investors	At the discretion of the Board of Directors

S ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
Z ACC USD	USD	EUR 50 million (or equivalent in the relevant Reference Currency)		ACC	Institutional Investors	At the discretion of the Board of Directors
Z ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
Z DIS USD	USD			DIS	Institutional Investors	At the discretion of the Board of Directors
Z DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
Z ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
Z ACC h CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
Z DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
R ACC EUR	EUR	EUR 10,000		ACC	all investors	At the discretion of the Board of Directors
P ACC EUR	EUR	N/A	N/A	ACC	all investors	At the discretion of the Board of Directors

The minimum initial investment amount and subsequent subscription amounts may be waived or reduced at the discretion of the Board of Directors.

The Share Classes will be launched at 100 in the relevant Reference Currency.

Currency Hedged Classes (identified by the suffix "h") apply the portfolio hedging method as further described in the general part of the Prospectus.

9. Fees and expenses

The fees detailed in the table below shall be calculated as further defined in the general part of the Prospectus.

Class of Shares	S	I	H	HA	Z	R	P
Investment Management Fee*	up to 25 bps	up to 30 bps	up to 40 bps	up to 40 bps	N/A	up to 90 bps	up to 140 bps
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sales Charge	N/A	N/A	N/A	N/A	N/A	up to 5%	up to 5%
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Currency hedging fee**	The Currency Hedging Service Provider will receive a remuneration of 6 bps per annum based on the assets under management of the relevant Currency Hedged Class. This fee will be accrued on each Valuation Day and payable quarterly in arrears.						

(*) The Investment Management Fee, to be paid out of the assets of the Sub-Fund, is used to pay the Investment Manager, the ESG Consultant and the distributors/sub-distributors.

(**) Only applicable to Currency Hedged Classes (identified by the suffix "h").

10. Valuation Day and Net Asset Value calculation

With respect to this Sub-Fund, a Valuation Day means any day on which banks are open the whole day for non-automated business in Luxembourg, except for the 24 and 31 December.

The Net Asset Value per Share of each Class will be calculated for each Valuation Day and will be available from the Administration Agent. The publication of the Net Asset Value will usually take place on the next Business Day after a Valuation Day.

11. Business Day

With respect to this Sub-Fund, a Business Day means each Valuation Day.

12. Subscription

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for subscribed Shares has to be made no later than two Business Days after the relevant Valuation Day.

13. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated for the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated for that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

14. Conversions

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Business Day.

15. Historical Performance

The KID includes a link to the information on the Sub-Fund's historical performance, if available.

16. Dividends

Income and capital gains arising in the Sub-Fund in relation to Accumulating Shares (ACC) will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation Distributing (DIS) Shares will be distributed in part or in total at least annually.

17. Use of leverage and calculation of global exposure

The relative value-at-risk (VaR) approach is used to monitor and measure the global exposure of the Sub-Fund. The level of leverage is not expected to be in excess of 300% of the Net Asset Value of the Sub-Fund under the sum of notionals approach.
In case of significant in-/outflow, the leverage could be temporary higher.

18. Specific risk warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus and especially to the risk considerations relating to:

- Market risk
- Foreign exchange risk and currency hedging risk
- Equity investment risks
- Liquidity risk
- Exchange traded fund risk
- Political and country risks
- General economic conditions
- Operational risks
- ESG risks
- Risk of realizing real yield

In relation to the Sub-Fund's objective to aim to track the performance of the Index, the following risks should be considered:

- Exposure of tracker funds to the changes in the value of the underlying indices or strategies
- Costs of rebalancing the reference benchmark
- Changes to or discontinuation of an index or strategy
- Negative aggregate performance despite positive performance of some of the components

19. Qualification as Equity Fund under the German Investment Tax Act (InvStG 2018)

The Sub-Fund is subject to the investment restriction as defined in § 2 (6) InvStG 2018 pursuant to which the Sub-Fund will continuously (*fortlaufend*) invest more than 50% of its value in equity participations (*Kapitalbeteiligungen*) within the meaning of § 2 (8) InvStG 2018 including:

(1) Shareholdings in a corporation listed on a stock exchange or a regulated market,

(2) Shareholdings in a corporation which is not a real estate company and is either
   a. resident and subject to corporate income taxation without being exempted from it in a member state of the European Union or in a contracting State of the treaty on the European Economic Area, or
   b. resident and subject to corporate income taxation of at least 15% in a third country,

(3) Investment participations in equity funds (*Aktienfonds*) within the meaning of § 2 (6) InvStG 2018 in an amount of 51% of the investment participation's value or, if the equity fund's (*Aktienfonds*) investment restrictions provide for a higher percentage of investments in equity participations, in a correspondingly higher amount, or

(4) Investment participations in balanced funds (*Mischfonds*) within the meaning of § 2 (7) InvStG 2018 in an amount of 25% of the investment participation's value or, if the balanced fund's (*Mischfonds*) investment restrictions provide for a higher percentage of investments in equity participations, in a correspondingly higher amount.

Investment participations other than those within the meaning of (3) and (4) of the foregoing sentence do not qualify as equity participations (*Kapitalbeteiligungen*). However, in case of investment participations, the Sub-Fund may calculate its quota of its investments in equity participations (*Kapitalbeteiligungsquote*) by taking into account the relevant fund's published quota of investments in equity participations (*Kapitalbeteiligungsquote*) per each valuation day (*bewertungstäglich*) of the relevant fund. The Sub-Fund continuously controls that its quota of investments in equity participations (*Kapitalbeteiligungsquote*) is more than 50% of its value.

20. Bloomberg index disclaimer

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SUB-FUND PARTICULARS 3

Effectual Capital Fund SICAV - Global Sustainable Corporate Bonds

1. Name of the Sub-Fund

Effectual Capital Fund SICAV - Global Sustainable Corporate Bonds (the "**Sub-Fund**")

2. Base Currency

USD

3. Investment objective, policy and strategy

Investment Objective

The Sub-Fund's investment objective is to achieve superior sustainable returns-to-risk, while targeting financial returns-to-risk commensurate with the Bloomberg Global Aggregate Corporate Index (LGCPTRUU) (the "**Benchmark**") through investments in an actively managed diversified portfolio of global fixed income. The Investment Manager will apply the ESG strategy described below.

Investment Policy

The Sub-Fund's net assets will be primarily invested in fixed income securities of companies on a global basis with an investment grade credit rating. Those securities are mainly but not exclusively selected among the components of the Benchmark.

The Sub-Fund may also invest a maximum of 10% of its net assets in contingent convertible bonds.

The Sub-Fund may also invest in green bonds and perpetual bonds. The Sub-Fund may be exposed to high yield securities, subject to a maximum of 10% of its net assets in securities rated lower than B-/ B3 by major rating agencies.

The Sub-Fund will not invest in distressed securities (at the time of the purchase). In case of a rating downgrade of any debt securities, the Sub-Fund could be exposed to distressed securities. In case of a downgrade, the Investment Manager will determine the appropriate action (sell or hold the relevant securities) based on the perceived risk and expected return and in the best interests of the Shareholders of the Sub-Fund.

The Sub-Fund may be exposed to emerging market countries for up to 10% of its net assets.

The Sub-Fund may also invest up to 10% of its net assets in securitised assets including but not limited to covered bonds, asset-backed securities and mortgage-backed securities. Mortgage related fixed income instruments may include but are not limited to agency and non-agency residential and

commercial mortgage-backed securities. Within this limit of 10%, the Sub-Fund may also invest in securitised assets in scope of Regulation (EU) 2017/2402. Minimum credit ratings also apply to securitized products except for mortgage related fixed income securities which are not subject to any minimum credit rating constraints.

The Sub-Fund may also invest, for liquidity management purposes:

(i) in Money Market Instruments, money market funds and deposits; and
(ii) in UCITS and other UCIs.

The Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets (bank deposits at sight, such as cash held in current accounts).

Under exceptionally unfavourable market conditions (e.g. market crash, major crisis, adverse market conditions or periods of increased market volatility such as during periods of political or economic instability etc.) and if justified in the interest of the investors, the Sub-Fund may be invested temporarily up to 100% of its net assets in ancillary liquid assets and other liquid instruments.

The Sub-Fund may use financial derivative instruments (such as futures/forward contracts) for hedging purposes and efficient portfolio management purposes. The assets underlying these financial derivative instruments will be transferable shares, indices based on transferable shares, foreign currency or exchange rates.

The selection of assets will be determined by the Investment Manager by using (i) financial information on the targeted investments and (ii) applying the ESG strategy, as further detailed below.

Liquidity Management Tools ("LMTs")

The following liquidity management tools may be applied, where appropriate, in order to manage liquidity risk:

(i) the suspension of the redemption of Shares in the circumstances described in Section 11.2 “Temporary suspension” of the General Part of this Prospectus;
(ii) the deferral of redemption requests in accordance with Section 7.5 “Deferral of redemptions” of the General Part of this Prospectus;
(iii) in certain circumstances, the settlement of redemption requests in kind, as further described under “Redemptions in kind” in Section 7.2 “Settlement” of the General Part of this Prospectus.

In addition, swing pricing may be applied as a liquidity management tool, as further described in this Sub-Fund Particular.

ESG Strategy

Sustainability risk and environmental, social and governance ("**ESG**") characteristics are taken into account as a central part, and at various stages, of the Sub-Fund’s selection process.

The Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR, as set out in detail in Appendix 1.

The Sub-Fund pursues a sustainable investment strategy seeking superior Sustainable Returns-to-risk (as further defined below), subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practises.

The Sub-Fund's ESG investment strategy is implemented via a two-stage investment process:

In a **first step**, an ESG screening is applied to exclude companies from the investment universe that do not satisfy minimum standards regarding ESG characteristics.

The basis of the ESG screening is information on companies (for example company sustainability reports), third-party data as well as different ESG principles (such as UN Global Compacts, Oslo Convention, PRI Principles). The assessment will be made on the basis of the data available and subject to the limitations due to potential lack of data.

The ESG screening seeks in essence to exclude the investee companies that are not satisfying minimum requirements with respect to environmental and social factors. Investee companies such as the following are excluded:

- controversial weapons producers;
- severe violations of UN Global Compact;
- coal producers;
- tobacco manufacturers.

The Sub-Fund excludes investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, as may be amended from time to time.

In a **second step** relating to portfolio enhancement, the Sub-Fund's portfolio is selected from the remaining companies in the investment universe in order to enhance the Sustainable Return-to-risk of the portfolio, subject to various risk controls.

"**Sustainable Returns**" are at the core of the "**Effectual Sustainable Investment Concept**". The Sustainable Return of the Sub-Fund is the weighted sum of the investee companies' Sustainable Returns. Sustainable Returns is a concept explicitly incorporating both (i) financial measures ("**Financial Returns**") and (ii) the impact of investee companies on sustainability factors, i.e., environmental or social factors ("**ESG Factors**"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "**ESG Externalities**"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by the investee companies. The analysis is however limited by the availability of data.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production,

building of human capital, work environment and safety factors, and community impact. The Effectual Sustainable Investment Concept is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of ESG Externalities includes economic measure of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

By seeking superior Sustainable Returns, the Sub-Fund's investment strategy pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

More specifically, the approach selects or overweighs, within the limits imposed by portfolio risk controls, investee companies with an enhanced trade-off of expected financial performance and expected sustainable performance, i.e., a good overall performance with respect to all environmental and social objectives as measured by external effects and captured, at the time of application, by the Effectual Sustainable Investment Concept.

The ESG strategy of the Sub-Fund is implemented by means of an active investment strategy versus a suitably constructed index, the Bloomberg Custom Global Aggregate Externalities-efficient Corporate Index (the "**Index**").

When constructing the Index, Financial Returns are derived from Benchmark constituents' weights and their covariance matrix (Black Litterman methodology). The Index constituents' weights are computed by adjusting the Benchmark constituents' weights by the difference between Sustainable Returns and Financial Returns, multiplied by a suitable annuity factor, excluding Benchmark constituents for which the adjustment would lead to zero or negative weights, rescaling so that Index weights add up to 100%, and subject to risk controls.

The Investment Manager's active views on Financial Returns are incorporated by the Investment Manager's active positioning versus the Index weights on the basis of the Investment Manager's top-down and bottom-up process, subject to risk controls.

The resultant Sub-Fund's portfolio is weighted towards companies exhibiting significantly better ESG Externalities (either positive or significantly less negative) than average, i.e., the resultant Sub-Fund's portfolio is weighted towards companies that have either positive impact on sustainability factors or significantly less negative impact on sustainability factors than average.

The Sub-Fund may invest in underlying investments that may contribute to (i) climate change mitigation and/or climate change adaptation, (ii) the sustainable use and protection of water and marine resources, (iii) the transition to a circular economy, (iv) pollution prevention and control and (v) the protection and restoration of biodiversity and ecosystems.

In this two-stage investment process, principal adverse impacts of investment decisions on sustainability factors are considered when buying securities, money market instruments and investment units, ("**Principal Adverse Impact**" or "**PAI**"). Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are considered. When selecting securities and money market instruments of companies and when buying investment units, PAI are considered by 1) the definition of exclusion criteria and 2) evaluation using ESG Externalities as sustainability indicator in the context of integration.

Taxonomy

As at the date of this Prospectus, the Investment Manager expects that the proportion of the Sub-Fund's investments in taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities) amounts to 0%. As information is not yet readily available from investee companies' public disclosures, the proportion is calculated using a combination of information on taxonomy-alignment obtained from investee companies and third-party providers. As soon as data will become more accurate and available, it is expected that the proportion of investments in enabling and transitional activities will grow.

The "do no significant harm" principle applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities.
The investments underlying the remaining portion of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The EU criteria for environmentally sustainable economic activities are those as specifically defined in Regulation (EU) 2020/852. The ESG strategy of this Sub-Fund is based on taking into consideration ESG Externalities, i.e. the effects of economic activities on environmental and social factors, in the investment decision making process, and is not restricted to financing particular economic activities as defined by Regulation (EU) 2020/852.

Benchmark

Bloomberg Global Aggregate Corporate Index (LGCPTRUU)

The Sub-Fund is actively managed and uses the Benchmark for asset allocation purposes. The Benchmark is chosen to represent the main investable universe for the Sub-Fund. Generally, the Sub-Fund will mainly invest its net assets, excluding cash and cash equivalents as well as instruments used for efficient portfolio management, in the components of this Benchmark but investments outside the Benchmark's constituents may also be made.

The weightings of the securities held in the Sub-Fund's portfolio may deviate significantly from the Benchmark's weightings as the Sub-Fund may not invest in several components of the Benchmark and

may also not invest the same proportion of its net assets than the Benchmark in the components of the Benchmark.

However, the Sub-Fund does not specifically use a benchmark index in order to achieve any objective relating to environmental and social characteristics.

4. Investment Manager and ESG Consultant

The Management Company has appointed PIMCO Europe GmbH, a company incorporated under the laws of Germany and having its registered office at Seidlstrasse 24-24a, 80335 Munich, Germany and being licensed by the Federal Financial Supervisory Authority (Bafin) under number 10125916, as the Investment Manager of the Sub-Fund.

PIMCO Europe GmbH has appointed the following entities as sub-portfolio managers in relation to the Sub-Fund (i) PIMCO Europe Ltd, having its registered office at 11 Baker Street, London, W1U 3AH, United Kingdom, being licensed by the Financial Conduct Authority (FCA) under registration number 149303 and (ii) Pacific Investment Management Company LLC, having its registered office at 650 Newport Center Drive, Newport Beach, California 92660, United States of America, being licensed by U.S. Securities and Exchange Commission (SEC) under registration number 801-48187.

The Company has appointed Effctl Capital GmbH, a company incorporated under the laws of Germany and having its registered office at Bruderstrasse 1, 80538 München, Germany, as sustainability consultant in order to provide research and analysis in relation to the investments to be made by the Sub-Fund (the "**ESG Consultant**"). The ESG Consultant does not provide investment recommendations but provides the framework for the sustainable investment components of the investment policy based on its Effectual Sustainable Investment Concept. The ESG Consultant is among others providing the Company with ESG data and sustainable investment guidelines (including ESG criteria, exclusion lists etc.), models and quantitative formulas for the selection of sustainable investments and information on data providers and monitoring, as well as critical input to the calculations, specific risk measures and tracking errors.

The ESG Consultant will be paid out of the Investment Management Fee, as further described below.

5. Currency Hedging Service Provider

The Management Company has appointed finccam Investment GmbH as Currency Hedging Service Provider. The Currency Hedging Service Provider is in charge of the currency hedging of the Currency Hedged Classes.

In accordance with the provisions of the general part of the Prospectus, the Currency Hedging Service Provider has a discretion as to the hedging strategy.

The Currency Hedging Service Provider is a company established under the laws of Germany, licensed by the Federal Financial Supervisory Authority (BaFin) and whose registered office is located at Ganghoferstraße 70, 80339 München, Germany.

The Currency Hedging Service Provider will receive a remuneration, as further described below.

6. Distributors

The Management Company, acting in a distribution function, will be remunerated out of the Management Company Fee.

7. Profile of the typical investor

The Sub-Fund's risk profile is such that you should have an investment horizon of at least five years.

The Sub-Fund may be appropriate for investors who:

- seek capital appreciation over the long term,

- do not seek current income from their investment,

- are willing to take on the increased risk associated with the investment.

8. Classes of Shares available for subscription

Class of Shares	Reference Currencies	Minimum initial investment amount	Subsequent subscription amounts	Dividend distribution policy	Eligible Investors	Launch date
H ACC USD	USD	EUR 1 million (or equivalent in the relevant Reference Currency)	EUR 1,000 (or equivalent in the relevant Reference Currency)	ACC	Institutional Investors	At the discretion of the Board of Directors
H ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
H DIS USD	USD			DIS	Institutional Investors	At the discretion of the Board of Directors
H DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
H DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
H ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors

H ACC GBP	GBP			ACC	Institutional Investors	At the discretion of the Board of Directors
H ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
HA ACC h EUR	EUR			ACC	all investors	At the discretion of the Board of Directors
I DIS USD	USD	EUR 20 million (or equivalent in the relevant Reference Currency)		DIS	Institutional Investors	At the discretion of the Board of Directors
I DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
I ACC USD	USD			ACC	Institutional Investors	At the discretion of the Board of Directors
I ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
I ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
I DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
I ACC GBP	GPB			ACC	Institutional Investors	At the discretion of the Board of Directors
I ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC USD	USD	EUR 30 million		ACC	Institutional Investors	At the discretion of

		(or equivalent in the relevant Reference Currency)				the Board of Directors
S ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
S DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
S ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC h CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
S DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
S ACC GBP	GBP			ACC	Institutional Investors	At the discretion of the Board of Directors
S ACC CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
Z ACC USD	USD	EUR 50 million (or equivalent in the relevant Reference Currency)		ACC	Institutional Investors	At the discretion of the Board of Directors
Z ACC EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
Z DIS USD	USD			DIS	Institutional Investors	At the discretion of the Board of Directors
Z DIS EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors

Z ACC h EUR	EUR			ACC	Institutional Investors	At the discretion of the Board of Directors
Z ACC h CHF	CHF			ACC	Institutional Investors	At the discretion of the Board of Directors
Z DIS h EUR	EUR			DIS	Institutional Investors	At the discretion of the Board of Directors
R ACC EUR	EUR	EUR 10,000		ACC	all investors	At the discretion of the Board of Directors
P ACC h EUR	EUR	N/A	N/A	ACC	all investors	At the discretion of the Board of Directors

The minimum initial investment amount and subsequent subscription amounts may be waived or reduced at the discretion of the Board of Directors.

The Share Classes will be launched at 100 in the relevant Reference Currency.

Currency Hedged Classes (identified by the suffix "h") apply the portfolio hedging method as further described in the general part of the Prospectus.

9. Fees and expenses

The fees detailed in the table below shall be calculated as further defined in the general part of the Prospectus.

Class of Shares	S	I	H	HA	Z	R	P
Investment Management Fee*	up to 35 bps	up to 40 bps	up to 50 bps	up to 50 bps	N/A	up to 100 bps	up to 150 bps
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sales Charge	N/A	N/A	N/A	N/A	N/A	up to 5%	up to 5%
Redemption Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Currency hedging fee**	The Currency Hedging Service Provider will receive a remuneration of 6 bps per annum based on the assets under management of the relevant Currency Hedged Class. This fee will be accrued on each Valuation Day and payable quarterly in arrears.						

(*) The Investment Management Fee, to be paid out of the assets of the Sub-Fund, is used to pay the Investment Manager, the ESG Consultant and the distributors/sub-distributors.

(**) Only applicable to Currency Hedged Classes (identified by the suffix "h").

10. Valuation Day and Net Asset Value calculation

With respect to this Sub-Fund, a Valuation Day means any day on which banks are open the whole day for non-automated business in Luxembourg, except for the 24 and 31 December.

The Net Asset Value per Share of each Class will be calculated for each Valuation Day and will be available from the Administration Agent. The publication of the Net Asset Value will usually take place on the next Business Day after a Valuation Day.

Swing Pricing

The Net Asset Value of the Sub-Fund may be adjusted up or down using the pricing adjustment rates.

Further information on the pricing adjustment is set out in "Swing Pricing Mechanism" of the general part of the Prospectus.

11. Business Day

With respect to this Sub-Fund, a Business Day means each Valuation Day.

12. Subscription

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for subscribed Shares has to be made no later than two Business Days after the relevant Valuation Day.

13. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated for the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated for that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

14. Conversions

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 16:00 (Luxembourg time) one Business Day prior to the relevant Valuation Day in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Business Day.

15. Historical Performance

The KID includes a link to the information on the Sub-Fund's historical performance, if available.

16. Dividends

Income and capital gains arising in the Sub-Fund in relation to Accumulating Shares (ACC) will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation Distributing (DIS) Shares will be distributed in part or in total at least annually.

17. Use of leverage and calculation of global exposure

The relative value-at-risk (VaR) approach is used to monitor and measure the global exposure of the Sub-Fund. The level of leverage is not expected to be in excess of 300% of the Net Asset Value of the Sub-Fund under the sum of notionals approach.
In case of significant in-/outflow, the leverage could be temporary higher.

18. Specific risk warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus and especially to the risk considerations relating to:

- Market risk
- Foreign exchange risk and currency hedging risk
- Credit risk
- Interest rate risk
- Liquidity risk
- Exchange traded fund risk
- Political and country risks
- General economic conditions
- Operational risks
- ESG risks
- Risk of realizing real yield
- Emerging Markets risks
- Asset-backed securities (ABS) and mortgage-backed securities (MBS)
- Distressed securities risk

19. Bloomberg index disclaimer

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APPENDICES

APPENDIX 1

PRE-CONTRACTUAL DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

Product name: Effectual Capital Fund SICAV – Global Sustainable Equities

Legal entity identifier: 549300EWL7MVWLYI4Q28

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ **Yes**
- ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** ___%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes several environmental and/or social characteristics, including external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics are promoted by this Sub-Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund uses "ESG Externalities" as key indicator to measure the attainment of the environmental and social characteristics it promotes.

ESG Externalities are the damages or benefits - in absolute terms, measured in currency, and scientifically determined valuations reflecting impact and importance - associated with the external effects of investee companies' economic activities. ESG Externalities are a generally accepted concept of economic theory and are widely applied in such fields as environmental economics, public finance, etc. ESG Externalities are also a key concept applied by the EU Commission and member states' environmental protection agencies to evaluate the impact of policies and projects.

Specific sustainability indicators on the environmental and social characteristics used by the Sub-Fund include:

- Green house gas emissions
- Various other air pollutants
- Various waste categories
- Water usage and water pollutants
- Human Capital
- Work environment and safety
- Community improvement

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Objectives of the sustainable investments that the Sub-Fund partially intends to make currently include, but are not limited to:

- Use of water and land,
- Production of waste,
- Greenhouse gas emissions,
- Social cohesion,
- Social integration and labor relations,
- Investment in human capital, or

- Investment in economically or socially disadvantaged communities.

By seeking superior Sustainable Returns-to-risk, the investment strategy of the Sub-Fund systematically invests into companies that exhibit favorable ESG Externalities, i.e. companies that either produce low cost or even benefits to the environment and society. Thus, the investee companies also have relatively high key resource efficiency indicators with respect to these objectives, e.g. greenhouse gas emissions, or contribute directly to the objective, e.g. corporate donations for social or community purporses.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Principal adverse impacts of investment decisions on sustainability factors will be considered, when buying securities, money market instruments and investment units ("Principal Adverse Impact" or "PAI"). When selecting securities and money market instruments of companies and when buying investment units, PAIs can be considered by 1) the definition of exclusion criteria, 2) evaluation using various sustainability indicators in the context of integration or 3) exercising voting rights. This means that PAIs can be considered through different ESG strategies.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. The following indicators for adverse impacts on sustainability factors are reflected in the Sub-Fund's investment strategy by entering the calculation of Sustainable Return:

- 1. GHG emissions
- 2. Carbon footprint
- 3. GHG intensity of investee companies
- 5. Share of non-renewable energy consumption and production
- 8. Emissions to water
- 9. Hazardous waste ratio

The following indicators for adverse impacts on sustainability factors are taken into account by way of exclusions:

- 4. Exposure to companies active in the fossil fuel sector
- 10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 14. Exposure to controversial weapons

All indicators for adverse impacts on sustainability factors are taken into account for purposes of excercising voting rights and engagement.

For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are considered by way of exclusion.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The investment strategy of the Sub-Fund systematically invests in companies, the activities of which are aligned with the OECD Guidelines along the following dimensions, but not limited to,

- Contributing to economic, environmental and social progress with a view to achieving sustainable development (OECD Guidelines - General Policy A.1.)

- Encouraging human capital formation (OECD Guidelines – General Policy A.4.)

- Refraining from seeking or accepting exemptions related to environmental, health, safety, labor or taxation, (OECD Guidelines - General Policy A.5.)

In addition, the Sub-Fund's investment strategy, through its ESG screening and Principal Adverse Impact analysis, in particular trough excluding severe violators of the UN Global Compact principles, is ensuring, in particular, investment only in companies that

- Respect the internationally recognized human rights (OECD Guidelines – General Policy A.2.)

- Support and uphold good corporate governance principles (OECD Guidelines – General Policy A.6)

The Sub-Fund's investment strategy, through its ESG screening and its Principal Advese Impact analysis, in particular trough excluding severe violators of the UN

Global Compact principles, is ensuring that only investments in companies that respect human rights (UN Guiding Principles - Foundational Principle 11) will be made.

Severe controversies related to all of the 10 principles of the UN Global Compact principles are considered in the following areas:

- Human rights
- Labor
- Environment and
- Anti-corruption

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes,

Information on the Principal Adverse Impacts on sustainability factors is also available in the quarterly report in the annex "Regular information on the financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852" of the Company. Further information on how the Sub-Fund did consider PAIs on sustainability factors will be available in the Company's annual report.

Principal Adverse Impacts of investment decisions on sustainability factors will be considered, when buying securities, money market instruments and investment units. Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. In particular, the following adverse sustainability indicators are taken into account:

- 1. GHG emissions
- 2. Carbon footprint
- 3. GHG intensity of investee companies
- 4. Exposure to companies active in the fossil fuel sector
- 5. Share of non-renewable energy consumption and production
- 7. Activities negatively affecting biodiversity-sensitive areas

- 8. Emissions to water
- 9. Hazardous waste ratio
- 10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 13. Board gender diversity
- 14. Exposure to controversial weapons

For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are considered. In particular, the following adverse sustainability indicator is taken into account:

- 16. Investee countries subject to social violations

Some adverse sustainability indicators stated in the Regulatory Technical Standards complementing the SFDR, Annex I, Table 1 are not considered because the either do not apply or, as at the date of this Prospectus, sufficient data are not available.

When selecting securities and money market instruments of companies and when buying investment units, PAI can be considered by 1) the definition of exclusion criteria, 2) evaluation using various sustainability indicators in the context of integration or 3) exercising voting rights. This means that PAIs can be considered through different ESG strategies.

For example, companies whose business practices have a material adverse impact on the categories described above are excluded. The PAI categories described above are also taken into account when determining the sustainability indicators.

When analysing sovereigns, PAIs are taken into account by, among other things, excluding unfree states (meaning states classified as "not free" by Freedom House) that have a low score on the index issued by the international nongovernmental organization Freedom House.

☐ No



What investment strategy does this financial product follow?

The Sub-Fund pursues a sustainable investment strategy seeking superior Sustainable Returns-to-risk (as further defined below), subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practices.

The "Sustainable Return" of the Sub-Fund is the weighted sum of the investee companies' Sustainable Returns. Sustainable Returns is a concept explicitly incorporating both (i) financial measures ("Financial Returns") and (ii) the impact of investee companies on sustainability factors, i.e., environmental or social factors ("ESG Factors"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "ESG Externalities"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by the investee companies. The analysis is however limited by the availability of data.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of

waste production, building of human capital, work environment and safety factors, and community impact. The Effectual Sustainable Investment Concept is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of ESG Externalities includes economic measure of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

By seeking superior Sustainable Returns, the Sub-Fund's investment strategy pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  The Sub-Fund's ESG investment strategy is implemented via a two-stage investment process, with the following binding elements:

  In a **first step**, an ESG screening is applied to exclude companies from the investment universe that do not satisfy minimum standards regarding ESG characteristics.

  The basis of the ESG screening is information on companies (for example company sustainability reports), third-party data as well as different ESG principles (such as UN Global Compacts, Oslo Convention, PRI Principles). The assessment will be made on the basis of the data available and subject to the limitations due to potential lack of data.

  The ESG screening seeks in essence to exclude the investee companies which are not satisfying minimum requirements with respect to environmental and social factors. Investee companies such as the following are excluded:

  - controversial weapons producers;
  - severe violations of UN Global Compact;
  - coal producers;
  - tobacco manufacturers.

  The Sub-Fund excludes investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, as may be amended from time to time.

  In a **second step** relating to portfolio optimization, the Sub-Fund's portfolio is selected, following a binding, pre-determined, and data-driven investment process, from the remaining companies in the investment universe by optimizing the Sustainable

Return-to-risk of the portfolio, subject to various risk controls. The binding selection criterion of the investment process is the investee companies' Sustainable Return.

By seeking superior Sustainable Returns, the Sub-Fund's investment strategy pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

More specifically, the approach selects or overweighs, within the limits imposed by portfolio risk controls, investee companies with an optimal trade-off of expected financial performance and expected sustainable performance, i.e., a good overall performance with respect to all environmental and social objectives as measured by external effects and captured, at the time of application, by the Effectual Sustainable Investment Concept.

The resultant Sub-Fund's portfolio is weighted towards companies exhibiting significantly better ESG Externalities (either positive or significantly less negative) than average, i.e., the resultant Sub-Fund's portfolio is weighted towards companies that have either positive impact on sustainability factors or significantly less negative impact on sustainability factors than average.

Further information on the binding elements used to select the investments to attain each of the environmental and social characteristics promoted by the Sub-Fund can be found online on the following website www.effectual.fund.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The scope of investments is not reduced by a minimum rate prior to the application of that investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

When selecting securities as part of the Sub-Fund's sustainable investment strategy, it is required that the issuers of these securities apply good corporate governance practices. To this end, exclusion criteria are defined that are based on the ten principles of the United Nations Global Compact.

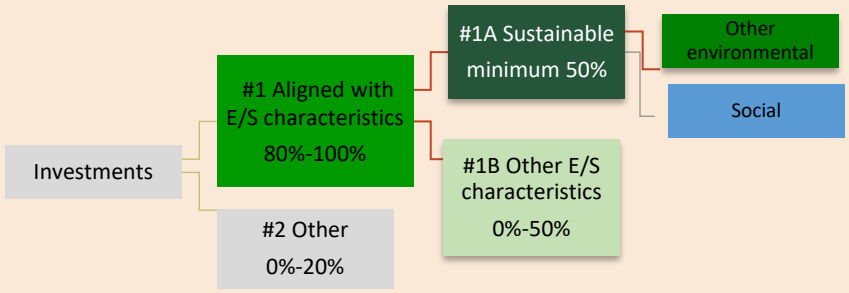
The ten principles of the Global Compact include guidelines for dealing with human rights, labor rights, corruption and environmental violations. For example, companies should respect the protection of international human rights and ensure that they are not complicit in human rights abuses. They should work for the abolition of child labor and the elimination of all forms of forced labor, as well as the elimination of discrimination in respect of employment and occupation. They shall accelerate the development and diffusion of environmentally friendly technologies, promote environmental awareness, and follow the precautionary principle in dealing with environmental problems. They shall advocate against all forms of corruption, including extortion and bribery.

When analysing sovereigns, PAIs are taken into account by, among other things, excluding unfree states that have a low score on the index issued by the international nongovernmental organization Freedom House.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Sub-Fund is a global, diversified equities fund managed according to the Effectual Sustainable Investment Concept with MSCI World Index (NDDUWI)) as benchmark for asset allocation purposes. As such it will typically be nearly fully invested in a diversified portfolio of listed equities with overall risk characteristics and exposures that are similar to the benchmark.

"**#1 Aligned with E/S characteristics**": In the ordinary course of business, the Sub-Fund will typically be nearly fully invested, and thus at least 80%, in investments meeting the environmental or social characteristics promoted by the Sub-Fund. However, in extra-ordinary circumstances and due to liquidity management requirements, the Sub-Fund may temporarily hold up to 20% of cash and invest up to 20% in money market instruments that may not be aligned with the E/S characteristics promoted by the Sub-Fund.

"**#2 Other**" includes cash and cash equivalents as well as financial derivative instruments (such as futures/forward contracts) for hedging purposes and efficient portfolio management purposes. There are minimum environmental and social safeguards due to the consideration of PAI.

"**#1A Sustainable**": The Sub-Fund will, in the ordinary course of business and subject to temporary liquidity management requirements, hold a minimum of 50% in sustainable investments, including, but not limited to, sustainable investments with other environmental and social objectives. The Sub-Fund's investment strategy has a comprehensive definition of sustainability that incorporates both environmental objectives ("**Other environmental**") and social objectives ("**Social**") in the same measure of sustainability.

A sustainable investment, within the context of the Sub-Fund's investment strategy and asset allocation, is defined as investing in an investee company that generates, in aggregate across all its economic activities, positive Sustainable Return, i.e. Financial Return adjusted for ESG Externalities, subject to the investee company following good governance practices and not doing significant harm to environmental or social objectives by satisfying minimum standards regarding environmental and social criteria (ESG screening). In other words, only investments in investee companies with a positive Sustainable Return score are in their entirety considered as sustainable investments.

The Sustainable Return of an investee company explicitly takes into account the impact of an investee company's entire economic activities on sustainability factors, i.e., environmental or social factors ("ESG Factors"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "ESG Externalities"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by all the investee companies' economic activities. The analysis is however limited by the availability of data.

ESG Externalities explicitly and directly measure the contribution of an economic activity to various environmental and social objectives.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact. The concept of Sustainable Return is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of ESG Externalities includes economic measures of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

The planned asset allocation is monitored on a continuous basis and evaluated on a yearly basis.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Not applicable - the Sub-Fund does not attain the promoted environmental and social characteristics by the use of derivatives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Sub-Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the EU Taxonomy. As at the date of this Prospectus, the proportion of the Sub-Fund's investments in taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities) may not amount to significantly more than 0%. As information is not yet readily available from investee companies' public disclosures, the proportion is calculated using a combination of information on taxonomy-alignment obtained from investee companies and third-party providers. As soon as data will become more accurate and available, it is expected that the proportion of investments in enabling and transitional activities will grow.

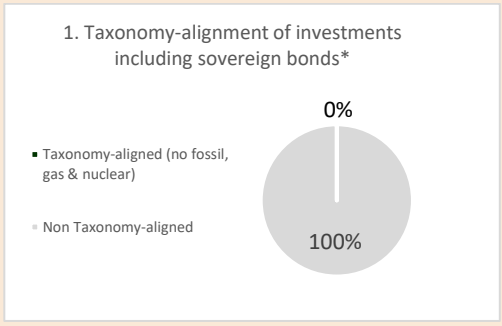
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

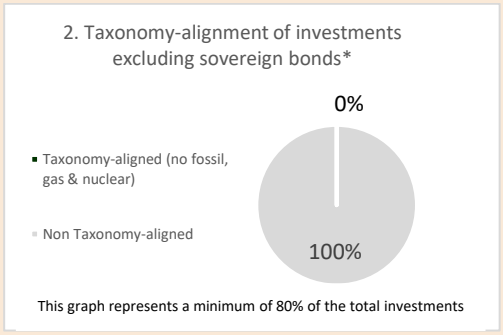
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

Not applicable.

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

1%

Although, on aggregate, sustainable investments with an environmental objective and socially sustainable investments will always amount to the Sub-Fund's minimum proportion of 50% in sustainable investments indicated above, the Sub-Fund does not have a specific environmental investment objective.

What is the minimum share of socially sustainable investments?

1%

Although, on aggregate, sustainable investments with an environmental objective and socially sustainable investments will always amount to the Sub-Fund's minimum proportion of 50% in sustainable investments indicated above, the Sub-Fund does not have a specific socially sustainable investment objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" include the following:

- Cash and money market instruments – for liquidity management purposes.
- High-quality fixed income instruments – for exceptional use under exceptionally unfavourable market conditions.
- Financial derivative instruments (such as futures/forward contracts).

There are minimum environmental and social safeguards due to the consideration of PAI.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable – the Sub-Fund does not use a reference benchmark for these purposes.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.effectual.fund

PRE-CONTRACTUAL DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

Product name: Effectual Capital Fund SICAV – European Sustainable Equities

Legal entity identifier: 636700TOG0PDSKA00Z81

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**

- ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of **sustainable investments with a social objective:** ___%

☒ **No**

- ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes several environmental and/or social characteristics, including external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact.

A reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics are promoted by this Sub-Fund.

The Index (as defined below) aims to represent a sustainable investment strategy seeking superior Sustainable Returns-to-risk (as further defined below), subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practises.

The Index selects companies from the Benchmark (as defined below) that meet certain minimum Environmental, Social and Governance ("**ESG**") standards. The Index is constructed via a two-stage process and the Sub-Fund's ESG investment strategy is implemented via a two-stage investment process as further detailed hereafter.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund uses "ESG Externalities" as key indicator to measure the attainment of the environmental and social characteristics it promotes. The Index also takes into account the ESG Externalities criteria.

ESG Externalities are the damages or benefits - in absolute terms, measured in currency, and scientifically determined valuations reflecting impact and importance - associated with the external effects of investee companies' economic activities. ESG Externalities are a generally accepted concept of economic theory and are widely applied in such fields as environmental economics, public finance, etc. ESG Externalities are also a key concept applied by the EU Commission and member states' environmental protection agencies to evaluate the impact of policies and projects.

Specific sustainability indicators on the environmental and social characteristics used by the Sub-Fund include:

- Green house gas emissions
- Various other air pollutants
- Various waste categories
- Water usage and water pollutants
- Human Capital
- Work environment and safety
- Community improvement

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Objectives of the sustainable investments that the Sub-Fund partially intends to make currently include, but are not limited to:

- Use of water and land,
- Production of waste,
- Greenhouse gas emissions,
- Social cohesion,
- Social integration and labor relations,
- Investment in human capital, or
- Investment in economically or socially disadvantaged communities.

By seeking superior Sustainable Returns-to-risk, the investment strategy of the Sub-Fund systematically invests into companies that exhibit favorable ESG Externalities, i.e. companies that either produce low cost or even benefits to the environment and society. Thus, the investee companies also have relatively high key resource efficiency indicators with respect to these objectives, e.g. greenhouse gas emissions, or contribute directly to the objective, e.g. corporate donations for social or community purporses.

The Index aims to represent a sustainable investment strategy seeking superior Sustainable Returns-to-risk (as further defined below), subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practises.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Principal adverse impacts of investment decisions on sustainability factors will be considered, when buying securities, money market instruments and investment units ("**Principal Adverse Impact**" or "**PAI**"). When selecting securities and money market instruments of companies and when buying investment units, PAIs can be considered by 1) the definition of exclusion criteria, 2) evaluation using various sustainability indicators in the context of integration or 3) exercising voting rights. This means that PAIs can be considered through different ESG strategies.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. The following indicators for adverse impacts on sustainability factors are reflected in the Sub-Fund's investment strategy by entering the calculation of Sustainable Return and indirectly by way of exclusions:

- 1. GHG emissions
- 2. Carbon footprint
- 3. GHG intensity of investee companies
- 5. Share of non-renewable energy consumption and production
- 8. Emissions to water
- 9. Hazardous waste ratio

The following indicators for adverse impacts on sustainability factors are taken into account by way of exclusions:

- 4. Exposure to companies active in the fossil fuel sector
- 10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 14. Exposure to controversial weapons

The indicators for adverse impacts on sustainability factors are taken into account for purposes of excercising voting rights or engagement.

For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are considered by way of exclusion.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The investment strategy of the Sub-Fund is to invest in Index constitutents including companies, the activities of which are aligned with the OECD Guidelines along the following dimensions, but not limited to,

- Contributing to economic, environmental and social progress with a view to achieving sustainable development (OECD Guidelines - General Policy A.1.)

- Encouraging human capital formation (OECD Guidelines – General Policy A.4.)

- Refraining from seeking or accepting exemptions related to environmental, health, safety, labor or taxation, (OECD Guidelines - General Policy A.5.)

In addition, the Sub-Fund's investment strategy, through its ESG screening and Principal Adverse Impact analysis, in particular trough excluding severe violators of the UN Global Compact principles and OECD Guidelines, is ensuring, in particular, investment only in companies that

- Respect the internationally recognized human rights (OECD Guidelines – General Policy A.2.)

- Support and uphold good corporate governance principles (OECD Guidelines – General Policy A.6)

The Sub-Fund's investment strategy, through the ESG screening and the Principal Advese Impact analysis at the level of the Index, in particular trough excluding severe violators of the UN Global Compact principles, is ensuring that only investments in companies that respect human rights (UN Guiding Principles - Foundational Principle 11) will be made.

Severe controversies related to all of the 10 principles of the UN Global Compact principles are considered in the following areas:

- Human rights
- Labor
- Environment and
- Anti-corruption

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes,

Information on the Principal Adverse Impacts on sustainability factors is also available in the quarterly report in the annex "Regular information on the financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852" of the Company. Further information on how the Sub-Fund did consider PAIs on sustainability factors will be available in the Company's annual report.

Principal Adverse Impacts of investment decisions on sustainability factors will be considered, when buying securities, money market instruments and investment units. Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. In particular, the following adverse sustainability indicators are taken into account:

- 1. GHG emissions
- 2. Carbon footprint
- 3. GHG intensity of investee companies
- 4. Exposure to companies active in the fossil fuel sector
- 5. Share of non-renewable energy consumption and production
- 7. Activities negatively affecting biodiversity-sensitive areas
- 8. Emissions to water
- 9. Hazardous waste ratio
- 10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 13. Board gender diversity
- 14. Exposure to controversial weapons

For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are considered. In particular, the following adverse sustainability indicator is taken into account:

- 16. Investee countries subject to social violations

Some adverse sustainability indicators stated in the Regulatory Technical Standards complementing the SFDR, Annex I, Table 1 are not considered because the either do not apply or, as at the date of this Prospectus, sufficient data are not available.

When selecting securities and money market instruments of companies and when buying investment units, PAI can be considered by 1) the definition of exclusion criteria, 2) evaluation using various sustainability indicators in the context of integration or 3) exercising voting rights. This means that PAIs can be considered through different ESG strategies.

For example, companies whose business practices have a material adverse impact on the categories described above are excluded. The PAI categories described above are also taken into account when determining the sustainability indicators.

When analysing sovereigns, PAIs are taken into account by, among other things, excluding unfree states (meaning states classified as "not free" by Freedom House) that have a low score on the index issued by the international nongovernmental organization Freedom House.

☐ No



What investment strategy does this financial product follow?

The investment objective of the Sub-Fund is to track the performance of the Bloomberg European Equities Externality Efficient X Net Return Index (the "**Index**"). The Index is based on the constituents and weights of the benchmark "Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index" (the "**Benchmark**").

The Sub-Fund pursues a sustainable investment strategy seeking superior Sustainable Returns-to-risk (as further defined below), subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practices. In this respect, the Index also aims to represent a sustainable investment strategy seeking superior Sustainable Returns-to-risk, subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practises.

The "Sustainable Return" of the Sub-Fund is the weighted sum of the investee companies' Sustainable Returns. Sustainable Returns is a concept explicitly incorporating both (i) financial measures ("**Financial Returns**") and (ii) the impact of investee companies on sustainability factors, i.e., environmental or social factors ("**ESG Factors**"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "**ESG Externalities**"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by the investee companies. The analysis is however limited by the availability of data.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact. The Effectual Sustainable Investment Concept is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of ESG Externalities includes economic measure of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

By seeking superior Sustainable Returns, the investment strategy represented by the Index pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund's ESG investment strategy is implemented via a two-stage process applied in the context of the Index construction, with the following binding elements:

In a **first step**, an ESG screening is applied to exclude companies from the investment universe that do not satisfy minimum standards regarding ESG characteristics.

The basis of the ESG screening is information on companies (for example company sustainability reports), third-party data as well as different ESG principles (such as UN Global Compacts, Oslo Convention, PRI Principles). The assessment will be made on the basis of the data available and subject to the limitations due to potential lack of data.

The Index and consequently the Sub-Fund excludes investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, as may be amended from time to time.

In a **second step** relating to portfolio enhancement, the Index constituents are selected, following a binding, pre-determined, and data-driven investment process, from the remaining companies in the investment universe and constituents' weights are calculated in order to enhance the Sustainable Return-to-risk of the portfolio, subject to various risk controls. The binding selection criterion of the investment process is the investee companies' Sustainable Return.

By seeking superior Sustainable Returns, the investment strategy represented by the Index pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

More specifically, the approach selects or overweighs, within the limits imposed by portfolio risk controls, investee companies with a superior trade-off of expected financial performance and expected sustainable performance, i.e., a good overall performance with respect to all environmental and social objectives as measured by external effects and captured, at the time of application, by the Effectual Sustainable Investment Concept.

The resultant Index is weighted towards companies exhibiting significantly better ESG Externalities (either positive or significantly less negative) than average, i.e., the resultant Index is weighted towards companies that have either positive impact on sustainability factors or significantly less negative impact on sustainability factors than average.

Further information on the binding elements used to select the investments to attain each of the environmental and social characteristics promoted by the Sub-Fund can be found online on the following website www.effectual.fund.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The scope of investments is not reduced by a minimum rate prior to the application of that investment strategy.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

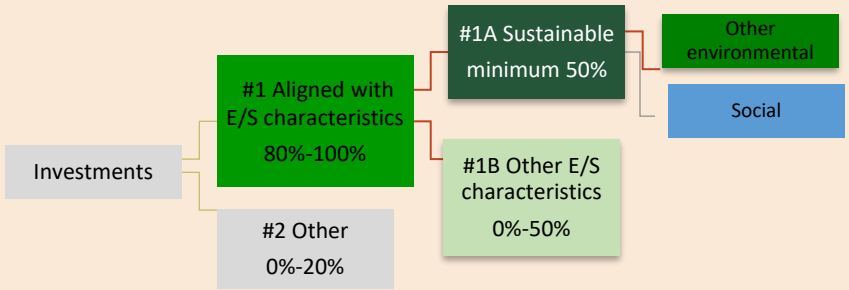
The Index selects investee companies following good governance practices. When selecting securities as part of the Sub-Fund's sustainable investment strategy, it is required that the issuers of these securities apply good corporate governance practices. To this end, exclusion criteria are defined that are based on the ten principles of the United Nations Global Compact and OECD Guidelines.

The ten principles of the Global Compact include guidelines for dealing with human rights, labor rights, corruption and environmental violations. For example, companies should respect the protection of international human rights and ensure that they are not complicit in human rights abuses. They should work for the abolition of child labor and the elimination of all forms of forced labor, as well as the elimination of discrimination in respect of employment and occupation. They shall accelerate the development and diffusion of environmentally friendly technologies, promote environmental awareness, and follow the precautionary principle in dealing with environmental problems. They shall advocate against all forms of corruption, including extortion and bribery.

When analysing sovereigns, PAIs are taken into account by, among other things, excluding unfree states that have a low score on the index issued by the international nongovernmental organization Freedom House.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Sub-Fund is a European, diversified equities fund passively managed according to the Effectual Sustainable Investment Concept and its investment objective is to provide investors with a return in line with the performance of the Index.

As such it will typically be nearly fully invested in a diversified portfolio of listed equities included in the Index.

"**#1 Aligned with E/S characteristics**": In the ordinary course of business, the Sub-Fund will typically be nearly fully invested, and thus at least 80%, in investments meeting the environmental or social characteristics promoted by the Sub-Fund. However, in extra-ordinary circumstances and due to liquidity management requirements, the Sub-Fund may temporarily hold up to 20% of cash and invest up to 20% in money market instruments that may not be aligned with the E/S characteristics promoted by the Sub-Fund.
"**#2 Other**" includes cash and cash equivalents as well as financial derivative instruments (such as futures/forward contracts) for hedging purposes and efficient portfolio management purposes. There are minimum environmental and social safeguards due to the consideration of exclusions.

"**#1A Sustainable**": The Sub-Fund will, in the ordinary course of business and subject to temporary liquidity management requirements, hold a minimum of 50% in sustainable investments, including, but not limited to, sustainable investments with other environmental and social objectives. The Sub-Fund's investment strategy has a comprehensive definition of sustainability that incorporates both environmental objectives ("**Other environmental**") and social objectives ("**Social**") in the same measure of sustainability.

A sustainable investment is defined as investing in an investee company that generates, in aggregate across all its economic activities, positive Sustainable Return, i.e. Financial Return adjusted for ESG Externalities, subject to the investee company following good governance practices and not doing significant harm to environmental or social objectives by satisfying minimum standards regarding environmental and social criteria (ESG screening). In other words, only investments in investee companies with a positive Sustainable Return score are in their entirety considered as sustainable investments.

The Sustainable Return of an investee company explicitly takes into account the impact of an investee company's entire economic activities on sustainability factors, i.e., environmental or social factors ("**ESG Factors**"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "ESG Externalities"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by all the investee companies' economic activities. The analysis is however limited by the availability of data.

ESG Externalities explicitly and directly measure the contribution of an economic activity to various environmental and social objectives.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact. The concept of Sustainable Return is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of

ESG Externalities includes economic measures of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

The planned asset allocation is monitored on a continuous basis and evaluated on a quarterly basis.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Not applicable - the Sub-Fund does not attain the promoted environmental and social characteristics by the use of derivatives.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

There is no minimum extent to which the Sub-Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the EU Taxonomy. As at the date of this Prospectus, the proportion of the Sub-Fund's investments in taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities) may not amount to significantly more than 0%. As information is not yet readily available from investee companies' public disclosures, the proportion is calculated using a combination of information on taxonomy-alignment obtained from investee companies and third-party providers. As soon as data will become more accurate and available, it is expected that the proportion of investments in enabling and transitional activities will grow.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[3]?**

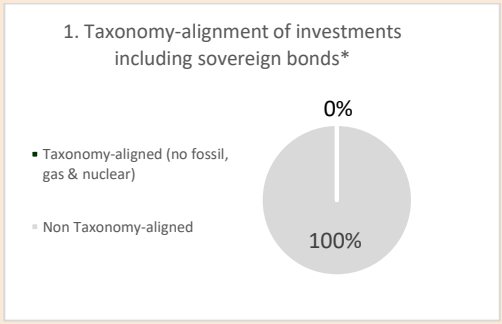
☐ Yes:

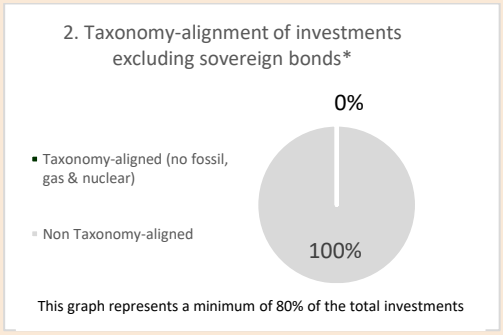
☐ In fossil gas ☐ In nuclear energy

☒ No

[3] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

1%

Although, on aggregate, sustainable investments with an environmental objective and socially sustainable investments will always amount to the Sub-Fund's minimum proportion of 50% in sustainable investments indicated above, the Sub-Fund does not have a specific environmental investment objective.

What is the minimum share of socially sustainable investments?

1%

Although, on aggregate, sustainable investments with an environmental objective and socially sustainable investments will always amount to the Sub-Fund's minimum proportion of 50% in sustainable investments indicated above, the Sub-Fund does not have a specific socially sustainable investment objective.

full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" include the following:

- Cash and money market instruments – for liquidity management purposes.
- High-quality fixed income instruments – for exceptional use under exceptionally unfavourable market conditions.
- Financial derivative instruments (such as futures/forward contracts).

There are minimum environmental and social safeguards due to the consideration of exclusions.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The Sub-Fund has designated the Bloomberg European Equities Externality Efficient X Net Return Index as the reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index aims to represent a sustainable investment strategy seeking superior Sustainable Returns-to-risk, with a quarterly rebalancing.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The selection of assets will be determined by the Investment Manager with the aim of tracking the Index by using a sampling approach which will attempt to ensure the Sub-Fund has similar characteristics as the Index whilst not necessarily holding all of the constituents of the Index.

- ***How does the designated index differ from a relevant broad market index?***

Starting from the Benchmark's (a relevant broad market index) constituents and weights, the Index applies the exclusions of investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, as may be amended from time to time, and adjusts the weights towards companies exhibiting significantly better ESG Externalities (either positive or significantly less negative) than average, i.e., the Index is weighted towards companies that have either positive impact on sustainability factors or significantly less negative impact on sustainability factors than average.

Where can the methodology used for the calculation of the designated index be found?

Further information on the Index methodology are available online under the following link: https://assets.bbhub.io/professional/sites/27/Bloomberg-European-Equities-Externality-Efficient-X-Index-Methodology.pdf



Where can I find more product specific information online?

More product-specific information can be found on the website: www.effectual.fund

PRE-CONTRACTUAL DISCLOSURE FOR THE FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852

Product name: Effectual Capital Fund SICAV – Global Sustainable Corporate Bonds

Legal entity identifier: 636700KBZC08G6PVQ708

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ **Yes**
- ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective:** ___%

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes several environmental and/or social characteristics, including external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics are promoted by this Sub-Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  The Sub-Fund uses "ESG Externalities" as key indicator to measure the attainment of the environmental and social characteristics it promotes.

  ESG Externalities are the damages or benefits - in absolute terms, measured in currency, and scientifically determined valuations reflecting impact and importance - associated with the external effects of investee companies' economic activities. ESG Externalities are a generally accepted concept of economic theory and are widely applied in such fields as environmental economics, public finance, etc. ESG Externalities are also a key concept applied by the EU Commission and member states' environmental protection agencies to evaluate the impact of policies and projects.

  Specific sustainability indicators on the environmental and social characteristics used by the Sub-Fund include:

  - Green house gas emissions
  - Various other air pollutants
  - Various waste categories
  - Water usage and water pollutants
  - Human Capital
  - Work environment and safety
  - Community improvement

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Objectives of the sustainable investments that the Sub-Fund partially intends to make currently include, but are not limited to:

  - Use of water and land,
  - Production of waste,
  - Greenhouse gas emissions,
  - Social cohesion,
  - Social integration and labor relations,
  - Investment in human capital, or

- Investment in economically or socially disadvantaged communities.

By seeking superior Sustainable Returns-to-risk, the investment strategy of the Sub-Fund systematically invests into companies that exhibit favorable ESG Externalities, i.e. companies that either produce low cost or even benefits to the environment and society. Thus, the investee companies also have relatively high key resource efficiency indicators with respect to these objectives, e.g. greenhouse gas emissions, or contribute directly to the objective, e.g. corporate donations for social or community purporses.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Principal adverse impacts of investment decisions on sustainability factors will be considered, when buying securities, money market instruments and investment units ("Principal Adverse Impact" or "PAI"). When selecting securities and money market instruments of companies and when buying investment units, PAIs can be considered by 1) the definition of exclusion criteria, 2) evaluation using various sustainability indicators in the context of integration or 3) exercising voting rights. This means that PAIs can be considered through different ESG strategies.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. The following indicators for adverse impacts on sustainability factors are reflected in the Sub-Fund's investment strategy by entering the calculation of Sustainable Return and indirectly by way of exclusions:

- 1. GHG emissions
- 2. Carbon footprint
- 3. GHG intensity of investee companies
- 5. Share of non-renewable energy consumption and production
- 8. Emissions to water
- 9. Hazardous waste ratio

The following indicators for adverse impacts on sustainability factors are taken into account by way of exclusions:

- 4. Exposure to companies active in the fossil fuel sector
- 10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 14. Exposure to controversial weapons

The indicators for adverse impacts on sustainability factors are taken into account for purposes of excercising voting rights or engagement.

For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are considered by way of exclusion.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The investment strategy of the Sub-Fund systematically invests in companies, the activities of which are aligned with the OECD Guidelines along the following dimensions, but not limited to,

- Contributing to economic, environmental and social progress with a view to achieving sustainable development (OECD Guidelines - General Policy A.1.)
- Encouraging human capital formation (OECD Guidelines – General Policy A.4.)
- Refraining from seeking or accepting exemptions related to environmental, health, safety, labor or taxation, (OECD Guidelines - General Policy A.5.)

In addition, the Sub-Fund's investment strategy, through its ESG screening and Principal Adverse Impact analysis, in particular trough excluding severe violators of the UN Global Compact principles and OECD Guidelines, is ensuring, in particular, investment only in companies that

- Respect the internationally recognized human rights (OECD Guidelines – General Policy A.2.)
- Support and uphold good corporate governance principles (OECD Guidelines – General Policy A.6)

The Sub-Fund's investment strategy, through its ESG screening and its Principal Advese Impact analysis, in particular trough excluding severe violators of the UN Global Compact principles, is ensuring that only investments in companies that

respect human rights (UN Guiding Principles - Foundational Principle 11) will be made.

Severe controversies related to all of the 10 principles of the UN Global Compact principles are considered in the following areas:

- Human rights
- Labor
- Environment and
- Anti-corruption

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes,

Information on the Principal Adverse Impacts on sustainability factors is also available in the quarterly report in the annex "Regular information on the financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852" of the Company. Further information on how the Sub-Fund did consider PAIs on sustainability factors will be available in the Company's annual report.

Principal Adverse Impacts of investment decisions on sustainability factors will be considered, when buying securities, money market instruments and investment units. Indicators used to identify adverse impacts on sustainability factors from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste as well as social issues and employee concerns. In particular, the following adverse sustainability indicators are taken into account:

- 1. GHG emissions
- 2. Carbon footprint
- 3. GHG intensity of investee companies
- 4. Exposure to companies active in the fossil fuel sector
- 5. Share of non-renewable energy consumption and production
- 7. Activities negatively affecting biodiversity-sensitive areas
- 8. Emissions to water

- 9. Hazardous waste ratio
- 10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 13. Board gender diversity
- 14. Exposure to controversial weapons

For investments in securities and money market instruments issued by sovereigns, indicators in the categories environmental and social issues are considered. In particular, the following adverse sustainability indicator is taken into account:

- 16. Investee countries subject to social violations

Some adverse sustainability indicators stated in the Regulatory Technical Standards complementing the SFDR, Annex I, Table 1 are not considered because the either do not apply or, as at the date of this Prospectus, sufficient data are not available.

When selecting securities and money market instruments of companies and when buying investment units, PAI can be considered by 1) the definition of exclusion criteria, 2) evaluation using various sustainability indicators in the context of integration or 3) exercising voting rights. This means that PAIs can be considered through different ESG strategies.

For example, companies whose business practices have a material adverse impact on the categories described above are excluded. The PAI categories described above are also taken into account when determining the sustainability indicators.

When analysing sovereigns, PAIs are taken into account by, among other things, excluding unfree states (meaning states classified as "not free" by Freedom House) that have a low score on the index issued by the international nongovernmental organization Freedom House.

☐ No



What investment strategy does this financial product follow?

The Sub-Fund pursues a sustainable investment strategy seeking superior Sustainable Returns-to-risk (as further defined below), subject to (i) portfolio risk controls, such as diversification and (ii) investee companies satisfying minimum standards regarding environmental and social criteria as well as following good governance practices.

The "Sustainable Return" of the Sub-Fund is the weighted sum of the investee companies' Sustainable Returns. Sustainable Returns is a concept explicitly incorporating both (i) financial measures ("**Financial Returns**") and (ii) the impact of investee companies on sustainability factors, i.e., environmental or social factors ("**ESG Factors**"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "**ESG Externalities**"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by the investee companies. The analysis is however limited by the availability of data.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and

community impact. The Effectual Sustainable Investment Concept is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of ESG Externalities includes economic measure of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

By seeking superior Sustainable Returns, the Sub-Fund's investment strategy pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund's ESG investment strategy is implemented via a two-stage investment process, with the following binding elements:

In a **first step**, an ESG screening is applied to exclude companies from the investment universe that do not satisfy minimum standards regarding ESG characteristics.

The basis of the ESG screening is information on companies (for example company sustainability reports), third-party data as well as different ESG principles (such as UN Global Compacts, Oslo Convention, PRI Principles). The assessment will be made on the basis of the data available and subject to the limitations due to potential lack of data.

The ESG screening seeks in essence to exclude the investee companies that are not satisfying minimum requirements with respect to environmental and social factors. Investee companies such as the following are excluded:

- controversial weapons producers;
- severe violations of UN Global Compact;
- coal producers;
- tobacco manufacturers.

The Sub-Fund excludes investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818, as may be amended from time to time.

In a **second step** relating to portfolio enhancement, the Sub-Fund's portfolio is selected, following a binding, pre-determined, and largely data-driven investment process, from the remaining companies in the investment universe and in line with the Index constituents' weights in order to enhance the Sustainable Return-to-risk of

the portfolio, subject to various risk controls. The binding selection criterion of the investment process is the investee companies' Sustainable Return.

By seeking superior Sustainable Returns, the Sub-Fund's investment strategy pursues investments with an equal balance of economic objectives (i.e. the Financial Returns criteria) and environmental and social objectives (i.e. the ESG Externalities criteria). Seeking superior Sustainable Returns is commensurate with the investment principles of a sustainable economy.

More specifically, the approach selects or overweighs, within the limits imposed by portfolio risk controls, investee companies with an optimal trade-off of expected financial performance and expected sustainable performance, i.e., a good overall performance with respect to all environmental and social objectives as measured by external effects and captured, at the time of application, by the Effectual Sustainable Investment Concept.

The resultant Sub-Fund's portfolio is weighted towards companies exhibiting significantly better ESG Externalities (either positive or significantly less negative) than average, i.e., the resultant Sub-Fund's portfolio is weighted towards companies that have either positive impact on sustainability factors or significantly less negative impact on sustainability factors than average.

Further information on the binding elements used to select the investments to attain each of the environmental and social characteristics promoted by the Sub-Fund can be found online on the following website www.effectual.fund.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The scope of investments is not reduced by a minimum rate prior to the application of that investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

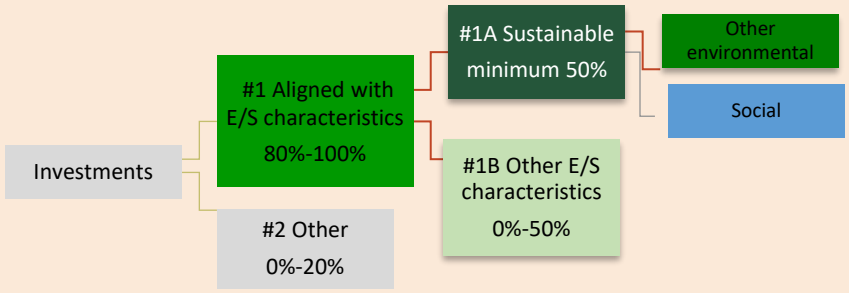
When selecting securities as part of the Sub-Fund's sustainable investment strategy, it is required that the issuers of these securities apply good corporate governance practices. To this end, exclusion criteria are defined that are based on the ten principles of the UN Global Compact and OECD Guidelines.

The ten principles of the UN Global Compact include guidelines for dealing with human rights, labor rights, corruption and environmental violations. For example, companies should respect the protection of international human rights and ensure that they are not complicit in human rights abuses. They should work for the abolition of child labor and the elimination of all forms of forced labor, as well as the elimination of discrimination in respect of employment and occupation. They shall accelerate the development and diffusion of environmentally friendly technologies, promote environmental awareness, and follow the precautionary principle in dealing with environmental problems. They shall advocate against all forms of corruption, including extortion and bribery.

When analysing sovereigns, PAIs are taken into account by, among other things, excluding unfree states that have a low score on the index issued by the international nongovernmental organization Freedom House.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Sub-Fund is a global, diversified corporate bond fund managed according to the Effectual Sustainable Investment Concept with Bloomberg Global Aggregate Corporate Index (LGCPTRUU)) as benchmark for asset allocation purposes. As such it will typically be nearly fully invested in a diversified portfolio of corporate bonds with overall risk characteristics and exposures that are similar to the benchmark.

"**#1 Aligned with E/S characteristics**": In the ordinary course of business, the Sub-Fund will typically be nearly fully invested, and thus at least 80%, in investments meeting the environmental or social characteristics promoted by the Sub-Fund. However, in extra-ordinary circumstances and due to liquidity management requirements, the Sub-Fund may temporarily hold up to 20% of cash and invest up to 20% in money market instruments that may not be aligned with the E/S characteristics promoted by the Sub-Fund.

"**#2 Other**" includes cash and cash equivalents as well as financial derivative instruments (such as futures/forward contracts) for hedging purposes and efficient portfolio management purposes. There are minimum environmental and social safeguards due to the consideration of exclusions.

"**#1A Sustainable**": The Sub-Fund will, in the ordinary course of business and subject to temporary liquidity management requirements, hold a minimum of 50% in sustainable investments, including, but not limited to, sustainable investments with other environmental and social objectives. The Sub-Fund's investment strategy has a comprehensive definition of sustainability that incorporates both environmental objectives ("**Other environmental**") and social objectives ("**Social**") in the same measure of sustainability.

A sustainable investment, within the context of the Sub-Fund's investment strategy and asset allocation, is defined as investing in an investee company that generates, in aggregate across all its economic activities, positive Sustainable Return, i.e. Financial Return adjusted for ESG Externalities, subject to the investee company following good governance practices and not doing significant harm to environmental or social objectives by satisfying minimum standards regarding environmental and social criteria (ESG screening). In other words, only investments in investee companies with a positive Sustainable Return score are in their entirety considered as sustainable investments.

The Sustainable Return of an investee company explicitly takes into account the impact of an investee company's entire economic activities on sustainability factors, i.e., environmental or social factors ("ESG Factors"), by taking into account their positive (i.e. benefits) and negative (i.e. damages) external ESG effects on society (the "ESG Externalities"). The ESG Externalities are analysed in the investee companies, to the extent practicable, and measured in economic terms as the social damages or social benefits of the external ESG effects generated by all the investee companies' economic activities. The analysis is however limited by the availability of data.

ESG Externalities explicitly and directly measure the contribution of an economic activity to various environmental and social objectives.

The analysis of the ESG Externalities captures, at least, external effects of greenhouse gas emissions, various air pollutants, the use of water, water emissions, various categories of waste production, building of human capital, work environment and safety factors, and community impact. The concept of Sustainable Return is regularly reviewed and improved such that additional ESG Factors may be included over time. For example, the analysis of ESG Externalities includes economic measures of key resource efficiency when derived from quantities relating to resources used by the investee companies such as the use of energy, the use of water and land, the production of waste or greenhouse gas emissions. As another example, the analysis of ESG Externalities also incorporates a measure of positive external effects of the investee companies on social factors, such as the building of human capital (through, e.g., employee training), fostering labor relations (through, e.g., safe working environment), and social cohesion and supporting disadvantaged communities.

The planned asset allocation is monitored on a continuous basis and evaluated on a yearly basis.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Not applicable - the Sub-Fund does not attain the promoted environmental and social characteristics by the use of derivatives.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Sub-Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the EU Taxonomy. As at the date of this Prospectus, the proportion of the Sub-Fund's investments in taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities) may not amount to significantly more than 0%. As information is not yet readily available from investee companies' public disclosures, the proportion is calculated using a combination of information on taxonomy-alignment obtained from investee companies and third-party providers. As soon as data will become more accurate and available, it is expected that the proportion of investments in enabling and transitional activities will grow.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

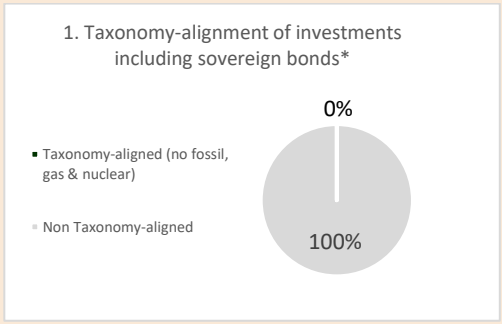
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[4]?

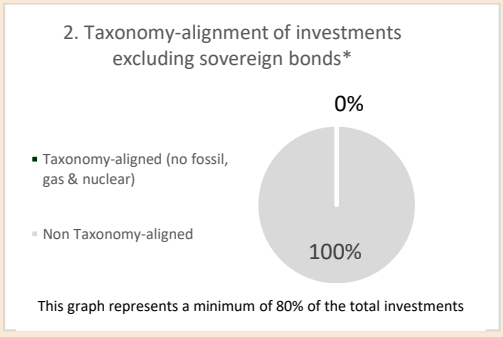
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of investments in transitional and enabling activities?

Not applicable.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

1%
Although, on aggregate, sustainable investments with an environmental objective and socially sustainable investments will always amount to the Sub-Fund's minimum proportion of 50% in sustainable investments indicated above, the Sub-Fund does not have a specific environmental investment objective.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

1%

Although, on aggregate, sustainable investments with an environmental objective and socially sustainable investments will always amount to the Sub-Fund's minimum proportion of 50% in sustainable investments indicated above, the Sub-Fund does not have a specific socially sustainable investment objective.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" include the following:

- Cash and money market instruments – for liquidity management purposes.
- High-quality fixed income instruments – for exceptional use under exceptionally unfavourable market conditions.
- Financial derivative instruments (such as futures/forward contracts).

There are minimum environmental and social safeguards due to the consideration of exclusions.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable – the Sub-Fund does not use a reference benchmark for these purposes.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.effectual.fund

APPENDIX 2 INVESTMENT RESTRICTIONS, USE OF FINANCIAL DERIVATIVE INSTRUMENTS AND INVESTMENT TECHNIQUES

General Investment Restrictions

The Company or where a UCITS comprises more than one compartment, each such Sub-Fund or compartment shall be regarded as a separate UCITS for the purposes of this Appendix. The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each Sub-Fund and the currency of denomination of a Sub-Fund subject to the following restrictions:

I. (1) The Company may invest in:

a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;

b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State which is regulated, operates regularly and open to the public;

c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union in Europe, Asia, Oceania (including Australia), the American continents and Africa (as acceptable by the Luxembourg supervisory authority including but not limited to any member state of the Organisation for Economic Cooperation and Development ("**OECD**"), Singapore, Hong Kong or any member state of the G20) or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the UCITS;

d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within a year of the issue;

e) units of UCITS and/or Other UCI, whether situated in a Member State or not, provided that:

- such Other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for unitholders in such Other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;

- the business of such Other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the assets of the UCITS or of the Other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or Other UCIs.

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is a Member State or if the registered office of the credit institution is situated in a non-Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:

- the underlying consists of instruments covered by this section (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund(s) may invest according to its/their investment objective;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

and/or

h) Money Market Instruments other than those dealt in on a Regulated Market and defined in the Glossary, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or

- issued by an undertaking any securities of which are dealt in on Regulated Markets; or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law; or

- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

II. The Company may hold ancillary liquid assets. Each Sub-Fund may invest up to 20% of its net assets in ancillary liquid assets (deposits at sight or as defined by CSSF regulatory practice). Under exceptionally unfavourable market conditions and if justified in the interest of the investors, each Sub- Fund may temporally invest up to 100% of its net assets in ancillary liquid assets and other liquid instruments.

III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same issuing body.

(ii) The Company may not invest more than 20% of the total net assets of such Sub-Fund in deposits made with the same body. The counterparty risk of a Sub-Fund in a derivative transaction that is not centrally cleared through a central counterparty

authorised in accordance with Article 14 of Regulation (EU) No 648/2012 or recognised in accordance with Article 25 of Regulation (EU) No 648/2012, shall not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) f) above or 5% of its net assets in other cases.

b) Moreover where the Company holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph III. a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for each Sub-Fund:

- investments in Transferable Securities or Money Market Instruments issued by that body,

- deposits made with that body, or

- exposures arising from derivative transactions undertaken with that body that are not centrally cleared through a central counterparty authorised in accordance with Article 14 of Regulation (EU) No 648/2012 or recognised in accordance with Article 25 of Regulation (EU) No 648/2012.

c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.

d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for covered bond as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (hereafter "**Directive (EU) 2019/2162**"), and for certain bonds when they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the Net Asset Value of the Sub-Fund.

e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III. d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b) c) and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member state of the OECD, Singapore, Hong Kong or any member state of the G20 or by public international bodies of which one or more Member States are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such Sub-Fund.**

IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.

b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

V. The Company may not acquire Shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

Each Sub-Fund may acquire no more than:

- 10% of the non-voting Shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies to which one or more Member States of the EU are members.

These provisions are also waived as regards Shares held by the Company in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

VI. a) The Company may acquire units of the UCITS and/or Other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of other UCITS or Other UCI, unless otherwise provided in the Sub-Fund Particular in relation to a given Sub-Fund.

In case a Sub-Fund may invest more than 10% in UCITS or Other UCIs, such Sub-Fund may not invest more than 20% of its net assets in units of a single UCITS or Other UCI.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

Investments made in units of Other UCIs may not, in aggregate, exceed 30% of the net assets of such Sub-Fund.

b) The underlying investments held by the UCITS or Other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.

c) When the Company invests in the units of other UCITS and/or Other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or Other UCIs.

In respect of a Sub-Fund's investments in UCITS and Other UCIs linked to the Company as described in the preceding paragraph (excluding any performance fee, if any), the total management fee charged to such Sub-Fund itself and the other UCITS and/or Other UCIs concerned shall not exceed 3% of the relevant assets per annum. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and Other UCIs in which such Sub-Fund has invested during the relevant period.

d) Each Sub-Fund may acquire no more than 25% of the units of the same UCITS and/or Other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.

VII. In compliance with the applicable laws and regulations any Sub-Fund of the Company (hereinafter referred to as a "**Feeder Sub-Fund**") may be authorised to invest at least 85% of its assets in the units of another UCITS or portfolio thereof (the "**Master Fund**"). A Feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with II;

- financial derivative instruments, which may be used only for hedging purposes;

- movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the 2010 Law, the Feeder Sub-Fund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of the first sub-paragraph with either:

- the Master Fund actual exposure to financial derivative instruments in proportion to the Feeder Sub-Fund investment into the Master Fund; or

- the Master Fund potential maximum global exposure to financial derivative instruments provided for in the Master Fund management regulations or instruments of incorporation in proportion to the Feeder Sub-Fund investment into the Master Fund.

A Sub-Fund of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched or converted into a Master Fund in the meaning of Article 77(3) of the 2010 Law.

VIII. A Sub-Fund (the "**Investing Sub-Fund**") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund of the Company (each a "**Target Sub-Fund**") without the Company being, subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own Shares; under the condition however that:

- unless otherwise provided in the Sub-Fund Particular, the Investing Sub-Fund may not invest more than 10% of its Net Asset Value in a single Target Sub-Fund; and

- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund (s); and

- the investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) Net Asset Value in UCITS and UCIs; and

- voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

IX. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restriction III. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

X. a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible.

b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities (if applicable) that shall not be deemed to constitute the making of a loan.

c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

d) The Company may not acquire movable or immovable property.

e) The Company may not acquire either precious metals or certificates representing them.

XI. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the Shares are marketed.

During the first six months following its launch, a new Sub-Fund may derogate from restrictions III., IV. and VI. a), b) and c) while ensuring observance of the principle of risk spreading.

Financial Derivative Instruments

A. General

Each Sub-Fund may, subject to the conditions and within the limits laid down in the 2010 Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF positions (the "**Regulations**"), invest in financial derivative instruments for hedging purposes, investment purposes or efficient portfolio management purposes as disclosed for each Sub-Fund in the Sub-Fund Particulars. Financial derivative instruments may include, but are not limited to, futures, forwards, options, swaps (including, but not limited to, credit and credit-default, interest rate and inflation swaps), swaptions and forward foreign currency contracts. New financial derivative instruments may be developed which may be suitable for use by the Company and the Company may employ such

financial derivative instruments in accordance with the Regulations and collateral received will be according to its collateral policy.

The conditions of use and the limits applicable shall in all circumstances comply with the provisions laid down in the 2010 Law, in the rules and regulations of the CSSF and the Prospectus.

Under no circumstances shall these operations cause the Company and its Sub-Funds to diverge from its investment policies and restrictions.

The counterparties to such transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Union law and specialised in this type of transaction. The counterparties to such transactions will generally be financial institutions headquartered in an OECD member state and have directly or at parent-level an investment grade credit rating from an internationally recognised rating agency. Details of the selection criteria and a list of approved counterparties is available at the registered office of the Company.

I**t is currently not intended for the Sub-Funds to enter into Total Return Swaps** as defined in Regulation (EU) 2015/2365 on transparency of securities transaction and of reuse and amending Regulation (EU) 648/2012 (the "**SFT Regulation**"). This Prospectus will be updated prior to any Sub-Fund entering into such transactions.

Use of techniques and instruments relating to Transferable Securities and Money Market Instruments

Each Sub-Fund must comply with the Grand Ducal Regulations of 8 February 2008 and the requirements of ESMA Guidelines 2014/937 adopted by ESMA concerning ETFs and other UCITS issues as also specified within CSSF Circular 14/592 amending and/or supplementing the existing rules governing OTC derivative instruments, efficient portfolio management techniques and the management of collateral received in the context of such instruments and techniques.

The Company may employ techniques and instruments related to Transferable Securities and Money Market Instruments provided that such techniques or instruments are considered by the Board of Directors as economically appropriate for the efficient portfolio management considering the investment objectives of each Sub-Fund.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in the Sub-fund specific text in this Prospectus. Such techniques and instruments may be used by any Sub-Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the extent permitted by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use

certain techniques and instruments relating to Transferable Securities and Money Market Instruments, (iii) CSSF Circular 14/592 and (iv) any other applicable laws and regulations.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivative instruments must be combined when calculating counterparty risk limits referred to in the investment restriction III. above.
All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund concerned.

In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Management Company and the Investment Manager or the Depositary will be available in the annual report of the Company.

The counterparties to such transactions will be financial institutions headquartered in an OECD member state and have directly or at parent-level an investment grade credit rating from an internationally recognised rating agency. Details of the selection criteria and a list of approved counterparties is available at the registered office of the Company.

It is currently not intended that the Company enters into any securities financing transaction as defined in the SFT Regulation. This Prospectus will be updated prior to any Sub-Fund entering into such transactions.

Management of collateral and collateral policy

General
In the context of OTC financial derivative instruments and efficient portfolio management techniques, each Sub-Fund concerned may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by a Sub-Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purposes of this section.

Eligible collateral
Collateral received by the relevant Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked

to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

(a) Any collateral received other than cash should be of high quality, highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

(b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;

(c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, or a public international body to which one or more Member States belong. In such event, the relevant Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value;

(e) It should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty;

(f) Where there is a title transfer, the collateral received will be held by the Depositary. For other types of collateral arrangement, the collateral will be held by a third-party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Subject to the abovementioned conditions, collateral received by the Sub-Funds may consist of:

(a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;

(b) Bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

(c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

(d) Shares or units issued by UCITS investing mainly in bonds/Shares mentioned in (e) and (f) below;

(e) Bonds issued or guaranteed by first class issuers offering adequate liquidity;

(f) Shares admitted to or dealt in on a Regulated Market of a Member State of the EU or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

Cash collateral received shall only be:

- placed on deposit with entities prescribed in the 2010 Law;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Ref. CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. In case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund concerned, or (iii) yield a sum less than the amount of collateral to be returned.

At the date of this Prospectus, cash collateral will not be reused. The Prospectus will be amended accordingly should it not be the case anymore.

Level of collateral

The Investment Manager will determine for each Sub-Fund the required level of collateral for OTC financial derivative instruments and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

The following haircuts for collateral are applied (the Company reserves the right to vary this policy at any time):

Eligible Collateral (at the date of this Prospectus)	**Permitted Currencies**	**Valuation Percentage (up to)**	**Haircut applied**
Cash	USD, EUR	100%	0%