

The Directors of Baron Capital UCITS ICAV (the “**ICAV**”) whose names appear in the “**Directory**” of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information.

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## **Baron Capital Global Advantage Equity Fund**

(A sub-fund of Baron Capital UCITS ICAV, an Irish collective asset management vehicle constituted as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended)

### **SUPPLEMENT**

**DATED 1 APRIL 2025**

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This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 10 April 2024 (the “**Prospectus**”) in relation to the ICAV and contains information relating to the Fund, which is a sub-fund of the ICAV.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

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## THE FUND

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Any words or terms not defined in this Supplement have the same meaning given to them in the Prospectus.

### The Fund

Baron Capital Global Advantage Equity Fund is a sub-fund of the ICAV.

The Fund's Base Currency is USD.

For the Fund, every day (except Saturday or Sunday) on which banks in Ireland are ordinarily open for business is a Business Day.

Each Business Day shall be a Dealing Day in respect of the Fund, unless otherwise determined by the Directors and notified to Shareholders in advance.

The Fund's Net Asset Value is calculated at the Valuation Point on each Valuation Day and each Dealing Day shall be a Valuation Day.

### Share Classes

The Fund currently offers certain Classes, which are divided into certain categories, the details of which are as follows:

Class Name	B	C	E	Z	Founder
<b>Base Currency Classes Available</b>	USD	USD	USD	USD	USD
<b>Hedged Classes Available</b>	None	None	None	None	None
<b>Unhedged Classes Available</b>	EUR GBP	EUR GBP	EUR GBP	EUR GBP	EUR GBP
<b>Distributing Classes Available</b>	Yes	Yes	No	No	Yes
<b>Accumulating Classes Available</b>	Yes	Yes	Yes	Yes	Yes

Investors should note that Class Z Shares are intended for institutional investors.

Investors should note that Founder Class Shares are generally available to investors who subscribe in the earliest stages of the Fund.

Please note that a list of the available Share Classes in the Fund has been included at Appendix 1 to this Supplement.

### Investor Profile

Investment in the Fund is suitable for professional and retail investors who are seeking capital appreciation over the long term but who understand and can accept fluctuations in the value of the investments over the short term, which may temporarily even lead to a scenario of substantial loss of value.

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## INVESTMENT OBJECTIVE AND POLICIES

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### Investment Objective

The Fund's investment objective is to seek to achieve an attractive capital appreciation over long term.

### Investment Policy

The Fund seeks to achieve its investment objective by investing primarily in the equity securities described below, under "Asset Classes", in developed and emerging markets located throughout the world, issued by companies across all capitalizations. Under normal market and economic conditions, the Fund expects to invest between 5% and 30%, with an average of 20% of its net assets in securities of emerging markets, although this figure may increase or decrease over the life of the fund.

The Investment Manager's approach to identifying equity securities is fundamental, bottom-up, and research driven. The Investment Manager identifies companies it believes have strong fundamentals, regardless of the macroeconomic environment. The Investment Manager invests with the intention of holding the investment for the long term. In particular, the Investment Manager seeks to identify whether companies have the following criteria:

1. Significant growth potential;
2. Durable competitive advantages;
3. Exceptional management; and
4. Compelling valuations relative to the Investment Manager's projections of intrinsic value.

The Investment Manager's portfolio managers and research analysts generate ideas, both independently and collaboratively. The team analyses fundamental financial information, such as income statement, cash flow statement, balance sheet, turnover, and other company-specific data, and meets with the management of the company. The team also analyses environmental, social, and governance ("ESG") factors relating to companies, with a view to identifying sustainability and investment risks and opportunities. The Investment Manager uses, for this purpose, the outcome of its own company and industry-specific ESG research, as well as third-party ESG ratings and research and ESG-specific engagements with investee companies. The Investment Manager applies an exclusionary screen which prohibits the set-up of potential investments in companies in the adult entertainment, civilian firearms, cluster munitions, and tobacco industries, as described in more detail in the SFDR appendix hereto. If a company passes this screen, it is eligible to be considered as a possible investment.

One outcome of the above process is a five-year proprietary valuation model to quantify a company's opportunities and risks, and to estimate the intrinsic value of its business. Each financial model includes five years of historical data and five years of forward-looking estimates. The models project revenues, earnings, and free cash flow.

A decision by the Investment Manager to invest or to sell an existing investment is informed by all of the foregoing but is not bound by any one particular element of it (save for the exclusionary screen, which is binding). In particular, the ESG research described above may not be conclusive or employed in the analysis of all companies, and securities of companies may be purchased and / or retained by the Fund for reasons other than ESG factors.

The Investment Manager's research analysts and portfolio managers regularly meet with management and review holdings, stock prices, and market conditions, as well as industry, demographic, and economic trends, throughout the life of an investment. They typically extrapolate trends that they believe may impact a business over the long term and modify their assumptions as necessary, which filter through their valuation models. The Investment Manager continues to hold a stock as long as it believes the stock can meet the Investment Manager's return expectations going forward.

## Asset Classes

The Fund will invest primarily in the following securities which may be issued and listed or traded on Recognised Markets globally:

- **Equity and Equity-Related Securities:** Equity securities of companies of any sector or industry classification, which may include common stocks, depositary receipts (American Depositary Receipts, European Depositary Receipts or Global Depositary Receipts) and related securities such as preferred stocks, real estate investment trusts ("REITs"), private placement securities (ie, securities which are not listed or traded on Recognised Markets, within the relevant UCITS limits), unlisted equity securities, initial public offerings (IPOs), secondary offerings, Rule 144A or Regulation S securities (securities offered outside of the US but which are exempt from the registration requirements of Section 5 of the US Securities Act of 1933), and convertible securities.

The Fund may invest in China A-Shares directly via the Stock Connect Programme as further described in the section "*Investment in Specific Countries*" under the heading "*Investment in China "A" Shares*". The Fund may invest directly or indirectly in Indian securities as a foreign portfolio investor ("FPI") as further described in the section "*Investment in Specific Countries*" under the heading "*Investment in India*".

As described, and subject to the limits, in the Prospectus, the Fund may use the following efficient portfolio management techniques:

	Expected	Maximum
Repurchase and reverse repurchase agreements	2% of NAV	25% of NAV
Securities lending transactions	0% of NAV	25% of NAV

## Cash management

The Fund may hold cash or invest its cash balances at such times deemed appropriate by the Investment Manager, pending investment of such cash or in order to fund anticipated expenses of the Fund or otherwise in the sole discretion of the Investment Manager. These investments will be high quality, liquid assets, such as investment grade, short-term debt securities which are listed, traded or dealt in on Recognised Markets and/or cash and cash equivalents (including UCITS eligible money market funds, UCITS eligible passive index tracking ETFs and cash deposits and near cash instruments, such as bank certificates of deposit or bank deposits with credit institutions). The Fund does not otherwise intend to invest in other collective investment schemes.

## Leverage

The global exposure of the Fund is calculated using the commitment approach described in the Prospectus.

## Benchmarks

The Fund is actively managed. It does not track or seek to replicate the composition of any index or benchmark and is not constrained by any index or benchmark. Benchmarks may be used from time to time as performance comparators.

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## INVESTMENT IN SPECIFIC COUNTRIES

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The Investment Manager may invest in developed and emerging markets located throughout the world, including in particular those described below.

### Investment in China "A" Shares

The Fund may have exposure to China "A" shares directly via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (the "**Stock Connect Programs**").

China "A" Shares are shares of companies incorporated in the People's Republic of China ("**PRC**") and listed on the Shanghai Stock Exchange ("**SSE**") and Shenzhen Stock Exchange ("**SZSE**") that may be subscribed for and traded in RMB via the Stock Connect Programs. The Stock Connect Programs are securities trading and clearing linked programs developed by The Stock Exchange of Hong Kong Limited, the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited.

The Fund may invest in other types of securities issued by Chinese companies, including China B Shares (being shares of Chinese companies denominated in currencies other than Renminbi and traded on the Shanghai or Shenzhen stock exchanges) and China H Shares (being shares of Chinese companies listed in Hong Kong and quoted in Hong Kong Dollars).

### Investment in India

The Fund may invest in equities and equity-related securities of issuers based in India.

The Fund will obtain and hold all necessary licenses from local regulatory authorities for investing in India. The Fund will be classed in India as a FPI. Any equities and equity-related securities of issuers based in India will be registered and held on behalf of the Fund by one of the sub-custodians listed in the Prospectus.

The Fund will be registered as a FPI with the Securities and Exchange Board of India ("**SEBI**") under the SEBI (Foreign Portfolio Investors) Regulations 2014 to be eligible to invest in the Indian capital market. SEBI approved Designated Depository Participants ("**DDPs**") register FPIs on behalf of the SEBI subject to compliance with "Know Your Client" or "KYC" requirements.

Under the FPI regime, the Fund may not purchase more than 10% of the total issued capital of an Indian company. This investment control is subject to change from time to time and is monitored by the DDPs and the Investment Manager.

## SUBSCRIPTION AND REDEMPTION OF SHARES

Shares in the Fund will be issued and redeemed on the terms and in accordance with the procedures described in the Prospectus. For detailed information concerning subscriptions and redemptions, please consult the sections under the heading “*Subscription for Shares*” and “*Redemption of Shares*” in the Prospectus. Details specific to the Fund and the Classes are set out below.

The Fund currently offers the Classes of Shares as set out above in the section entitled “The Fund” and the Classes possess the following features relevant to subscriptions and redemptions:

Class Categories					
Class Name	B	C	E	Z	Founder
Minimum Initial Subscription Amount	USD 1,000 EUR 1,000 GBP 1,000	USD 1,000 EUR 1,000 GBP 1,000	USD 1,000,000 EUR 1,000,000 GBP 1,000,000	USD 10,000,000 EUR 10,000,000 GBP 10,000,000	USD 1,000,000 EUR 1,000,000 GBP 1,000,000
Minimum Additional Subscription Amount	N/A	N/A	N/A	N/A	N/A
Minimum Holding Amount	N/A	N/A	N/A	N/A	N/A
Minimum Redemption Amount	N/A	N/A	N/A	N/A	N/A
Maximum Subscription Fee	5%	5%	5%	5%	5%
Maximum Redemption Fee	3%	3%	3%	3%	3%
Initial Offer Price	USD 100 EUR 100 GBP 100	USD 100 EUR 100 GBP 100	USD 100 EUR 100 GBP 100	USD 100 EUR 100 GBP 100	USD 100 EUR 100 GBP 100
Valuation Point	4 pm (U.S. EST) on the relevant Dealing Day or such other time as the Directors shall determine				
Dealing Deadline for Subscriptions	2 pm (Irish time) one Business Day immediately preceding the relevant Dealing Day				
Settlement Deadline for Subscriptions	Close of business (Irish time) on the second Business Day following the relevant Dealing Day				
Dealing Deadline for Redemptions	2 pm (Irish time) one Business Day immediately preceding the relevant Dealing Day				
Target Settlement of Redemption Payments	Close of business two Business Days following the relevant Dealing Day				

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## RISK CONSIDERATIONS

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There can be no assurance that the Fund's investments will be successful or that the investment objective of the Fund will be achieved. Investors should be aware of the risks of the Fund described in the **Risk Considerations** section of the Prospectus (including in particular those regarding emerging markets) and below. An investment in the Fund is suitable only for persons who are in a position to take such risks.

### Emerging Markets and Developing Countries Risk

In connection with the Fund's investment in emerging market and developing countries, potential investors are warned that investing in the emerging market countries involves a higher risk. In particular, there is the risk of:

- a) a possibly lower or totally absent trading volumes in securities on the relevant securities market, leading to liquidity bottlenecks and relatively greater price fluctuations;
- b) uncertain political, commercial and social circumstances, with the attendant danger of disenfranchisement or confiscation, extraordinary high inflation, prohibitive tax measures and other negative developments;
- c) possible major fluctuations in currency exchange rates, changes to legal regulations, existing or possible currency export restrictions, customs and other restrictions, and other legal or other restrictions which may apply to investments;
- d) domestic or other circumstances which could limit the Fund's investment possibilities, for example, restrictions on the part of issuers or industries regarded as crucial to national interests; and
- e) the absence of an adequate developed legal framework for private or foreign investments and the risk of absent guarantees of private ownership.

Furthermore, currency export restrictions or other associated regulations in these countries could fully or partly delay or prevent the repatriation of investments, resulting in possible delays with payment of redemption proceeds.

### Sustainability Risk

The market value of investments of the Fund are subject to the sustainability risks described in the Prospectus. The likely impact of such sustainability risks on the Fund is assessed by the Investment Manager on an ongoing basis. In addition, through the values and norms based exclusionary screen, all relevant sustainability risks that could have a significant impact on an investment, including those that could have a significant negative impact on the return of an investment, are taken into account. Sustainability risk may increase the Fund's volatility and / or magnify pre-existing risks to the Fund and may have a significant negative impact on the value of the portfolio. Sustainability risk may be particularly acute if it occurs in an unanticipated or sudden manner and it may also cause investors to reconsider their investment in the Fund and create further downward pressure on the value of the Fund.

### Sustainable Investments

Although the Investment Manager considers sustainability risk as a core part of its investment process and promotes environmental and social characteristics through the use of the exclusionary screen, it does not have a sustainable investment objective and does not commit to any minimum level of investment in sustainable investments.

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## DIVIDEND POLICY

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As at the date hereof, the Fund offers Accumulating and Distributing Classes. The Directors may declare a dividend with respect to certain Classes.

For Accumulating Classes net investment income on the Fund's investments attributable to each Class is expected to be retained by the Fund, which will result in an increase in the Net Asset Value per Share of the relevant Class.

The Directors nevertheless retain the right to declare dividends in respect of the Accumulating Classes out of such net investment income on the Fund's investments in their sole discretion. In the event that the Directors determine to declare dividends in respect of any Accumulating Class of Shares on a once-off basis, Shareholders will be notified in advance, including the date by which distributions will be paid and the method by which distributions will be paid.

In respect of Distributing Classes, it is the current intention of the Directors, subject to any de minimis threshold, to declare dividends out of gross income attributable to Distributing Classes. Distributions out of gross income are made up of net income and realised and unrealised capital gains net of realised and unrealised losses. Under normal circumstances, the Directors intend that dividends shall be declared on an annual basis on or about the last day of January in each year in respect of the previous calendar year. Any such dividend will be normally be paid within 10 Business Days. However, Shareholders should note that the Directors may, in their discretion, decide not to make such payment in respect of a Distributing Class.

Dividends, if declared, will be automatically reinvested in additional Shares at the NAV per Share or, at the Shareholder's option, paid in cash, at the Shareholder's risk and expense, to the bank account or accounts designated on the Shareholder's Initial Application Form.

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## FEES AND EXPENSES

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The Investment Manager receives an investment management fee (up to the annual percentage of the Net Asset Value set out below, accruing daily and paid monthly in arrears) (the "**Investment Management Fee**"). The Fund is also responsible for the payment of (a) fees to the Management Company, Administrator and Depositary and (b) the Core Operating and Administrative Expenses (together, the "**Other Expenses**"). The Core Operating and Administrative Expenses (as described in the Prospectus) vary over time but are not anticipated to exceed the amount set out below. This notwithstanding, the Investment Management Fee and the Other Expenses are capped (the "**Capped Amount**").

Share Class	Investment Management Fee rate	Other Expenses	Capped Amount
B	1.55%	0.15%	1.70%
C	1.65%	0.15%	1.80%
E	0.95%	0.15%	1.10%
Z	0.75%	0.15%	0.90%
Founder	0.55%	0.15%	0.70%

Where the Investment Management Fee and the Other Expenses are greater than the Capped Amount, the Investment Manager shall waive such portion of the Investment Management Fee as is necessary to ensure that the amount paid by the Fund does not exceed the Capped Amount. In the event that this waiver is not sufficient, the Investment Manager shall pay the excess itself (ie, the Fund shall not pay more than the Capped Amount).

Where the Investment Management Fee and the Other Expenses are less than the Capped Amount, the Fund pays only the Investment Management Fee and the Other Expenses.

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## APPENDIX 1 – LIST OF SHARE CLASSES

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- (i) Class B (USD) (Acc)
- (ii) Class B (EUR Unhedged) (Acc)
- (iii) Class B (EUR Unhedged) (Dis)
- (iv) Class B (GBP Unhedged) (Acc)
- (v) Class B (GBP Unhedged) (Dis)
- (vi) Class C (USD) (Acc)
- (vii) Class C (USD) (Dis)
- (viii) Class C (EUR Unhedged) (Acc)
- (ix) Class C (EUR Unhedged) (Dis)
- (x) Class C (GBP Unhedged) (Acc)
- (xi) Class C (GBP Unhedged) (Dis)
- (xii) Class E (USD) (Acc)
- (xiii) Class E (EUR Unhedged) (Acc)
- (xiv) Class E (GBP Unhedged) (Acc)
- (xv) Class Z (USD) (Acc)
- (xvi) Class Z (EUR Unhedged) (Acc)
- (xvii) Class Z (GBP Unhedged) (Acc)
- (xviii) Class Founder (USD) (Acc)
- (xix) Class Founder (USD) (Dis)
- (xx) Class Founder (EUR Unhedged) (Acc)
- (xxi) Class Founder (EUR Unhedged) (Dis)
- (xxii) Class Founder (GBP Unhedged) (Acc)
- (xxiii) Class Founder (GBP Unhedged) (Dis)

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Baron Capital Global Advantage Equity Fund (the "Fund")

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	It will make a minimum of <b>sustainable investments with an environmental objective</b> : ____%	<input type="checkbox"/>	It promotes Environmental characteristics that are not have as its objective a minimum proportion of ____%
	<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy		<input type="checkbox"/> with environmental characteristics that are not aligned with the EU Taxonomy <input type="checkbox"/> with environmental characteristics that are aligned with the EU Taxonomy
<input type="checkbox"/>	It will make a minimum of <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/>	It promotes E/S characteristics that are not aligned with the Taxonomy

While the Fund promotes environmental and social characteristics and makes no minimum percentage of sustainable investments, the Fund also does not exclude investment in any type of sustainable investment and in practice the Fund makes sustainable investments.

### What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes among other characteristics, the following environmental/social ("E/S") characteristics and (b) the application of an exclusionary screen:

- E/S characteristics promoted: social justice, gender equality, gun control and community health

Through its exclusion criteria, the Fund promotes certain norms and values by excluding issuers that are involved in the manufacture, production, distribution or supply of products relating to the adult entertainment and munitions industries.

The Fund methodically exercises its voting rights, and may engage with the management of companies in which it has investment if progress proves unsatisfactory.

Please refer to the exclusions policy for the Fund at [www.baronfunds.com/sites/default/files/Baron-Ex](http://www.baronfunds.com/sites/default/files/Baron-Ex)

The Fund does not use any indices as reference benchmarks.



### 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 and social characteristics of the financial product?**

The Investment Manager applies an exclusionary screen, which excludes companies involved in cluster munitions, and tobacco (as described in more detail below).

The Investment Manager considers a number of sustainability indicators that are used in the decision by the Investment Manager to invest (or to sell an existing investment) in companies (including ESG related indicators) but the Investment Manager is not bound by any one indicator. Decisions regarding these sustainability indicators may not be conclusive or employed in isolation. Companies may be purchased and/or retained for reasons other than ESG factors.

Category	Indicator
Environmental	<ul style="list-style-type: none"><li>• Climate change</li><li>• Supply chain</li><li>• Opportunities in cleantech</li><li>• Circular economy</li><li>• Pollution prevention &amp; control</li><li>• Water stress</li></ul>
Social	<ul style="list-style-type: none"><li>• Human capital management</li><li>• Employee safety &amp; treatment</li><li>• Cybersecurity/Data privacy</li><li>• Diversity &amp; discrimination</li><li>• Supply chain</li><li>• Product quality and safety</li><li>• Access to healthcare</li><li>• Access to finance</li><li>• Access to communications</li></ul>
Governance	<ul style="list-style-type: none"><li>• Board &amp; management</li><li>• Diversity</li><li>• Business ethics</li><li>• Corporate structure</li><li>• Bribery &amp; corruption</li><li>• Compensation</li><li>• Accounting &amp; taxation</li><li>• Lobbying &amp; public policy</li></ul>



**What are the objectives of the sustainable investments that the financial product partially invests in? How do these investments contribute to such objectives?**

The Fund does not commit to investing in sustainable investments.



**How do the sustainable investments that the financial product partially invests in not cause significant harm to any environmental or social sustainability objective?**

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

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*How are the sustainable investments aligned with the UN Guided Principles on Business and Human Rights? Details:*

### Principal adverse impacts

are the most significant negative impacts of the investment

decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which investments should not significantly harm EU Taxonomy objectives and specific EU criteria.*

*The “do not 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

X

No

The Investment Manager does not currently consider the principal adverse impacts of investments on sustainability factors, within the meaning of Article 7 of the SFDR, in the management of the Fund.

Meaningful consideration of PAIs is not currently possible due to the difficulty of obtaining data on sustainability factors, which the Investment Manager, would be obligated to report on in accordance with the SFDR. The possibility that such data may be incomplete, estimated, out of date and/or partially due to the fact that investee companies and/or underlying issuers are not currently - report by reference to the same data.

Notwithstanding the aforementioned barriers to the identification and prioritization of PAIs, the Investment Manager will re-evaluate its position on a periodic basis, giving due consideration to the latest available data.



#### What investment strategy does this financial product follow?

The Fund invests primarily in equity securities in developed and emerging markets, issued by companies across all capitalizations.

The Investment Manager's approach to identifying equity securities is fundamental and research-driven. The Investment Manager identifies companies it believes have strong growth potential in a favorable macroeconomic environment, and it invests for the long term. The Investment Manager and research analysts generate ideas, both independently and collaboratively. All investment ideas are first assessed against an exclusionary screen (described below). Companies are then researched by the Investment Manager's own research team. The team considers financial information, as well as environmental, social, and governance information (as described above).

A decision by the Investment Manager to invest (or to sell an existing investment) is based on a number of factors, including but not limited to the foregoing but is not bound by any one particular element of it (save for the screening criteria). The consideration of sustainability indicators described above may not be conclusive for all companies, and securities of companies may be purchased and / or sold for reasons other than ESG factors.

**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  
environmental or social characteristics promoted by this financial product?***

As described above, the exclusion policy screen is the sole binding element of the investments to attain each of the environmental or social characteristics. The screen covers investment in adult entertainment, civilian firearms, cluster munitions, and tobacco.

- **Adult Entertainment**  
The Investment Manager's portfolio managers are prohibited from investing in companies that are involved in the production, distribution or retail of adult entertainment. The Investment Manager defines adult entertainment products as those that depict sexually explicit conduct, specifically the depiction or description of sexual acts.
- **Civilian Firearms**  
The Investment Manager's portfolio managers will not invest in companies that manufacture handguns, pistols, shotguns, rifles, revolvers, or other firearms for civilian use. The Investment Manager does not exclude businesses whose products are used for military or police use.
- **Cluster Munitions**  
The Investment Manager's portfolio managers will not invest in companies involved in using, developing, producing, acquiring, or distributing cluster munitions.
- **Tobacco**  
The Investment Manager's portfolio managers will not purchase, produce, distribute, retail, license, or supply key tobacco products.

Companies will be added to the exclusion list if MSCI's ESG Business Screen identifies them as being directly involved in adult entertainment, civilian firearms, cluster munitions, or tobacco if they derive a certain amount of revenue from their involvement.

The activities and thresholds are as follows:

- 5% or more of revenue is derived from production activities
- 10% or more of revenue is derived from distributing, retailing, or supplying
- 10% or more of revenue from a combination of the above-mentioned activities

Further details on the MSCI's ESG Business Screen are available at <https://www.msci.com/documents/1296102/14524248/MSCI+ESG+Research+Methodology>. The exclusion list includes primary and secondary listings.

The third-party dataset that the Investment Manager uses may not include all companies involved in activities the Investment Manager seeks to avoid, and the Investment Manager's systems may estimate exposures using different methods and assumptions. If an existing holding becomes involved in any of these areas directly or indirectly, the Investment Manager invests, acquires part or all of a business engaged in these areas, or if the company, the portfolio manager who invested in the business, and the Investment Manager and exposures collaboratively and determine if continuing to own the company. The Investment Manager occasionally invests in private companies whose investments may not be captured by the MSCI data. In these instances, it is the responsibility of the portfolio manager who wants to invest in it to provide research and analysis. If investment in the private business would comply with the exclusionary policy, the Investment Manager may invest in it.



***What is the committed minimum rate to reduce the scope of the investment strategy?***

The Fund does not apply a commitment minimum rate to reduce the scope of the investment strategy.

the 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?**

The good governance of the investee companies is assessed during key governance and business integrity requirements, including: how interests of minority shareholders, number of independent directors, transparent management teams that think and act like owners. The alignment among the interests of shareholders, management, and the

In addition, the Investment Manager adopts a proxy voting policy, which includes policies, and it has a separate section providing guidance on ESG. The Investment Manager has created processes to include engagement with companies, shareholder communication and engagement between investors and companies or portfolio management services provided to clients and investors. The Investment Manager considers any shareholder proposal related to these topics on a case-by-case basis, and it may vote that favours actions on a variety of factors that intend to maximize and contribute to the Investment Manager's overall research on, and develop the Investment Manager's voting behaviour and use of proxy services in its proxy voting policy.

**Asset allocation** describes the share of investments in

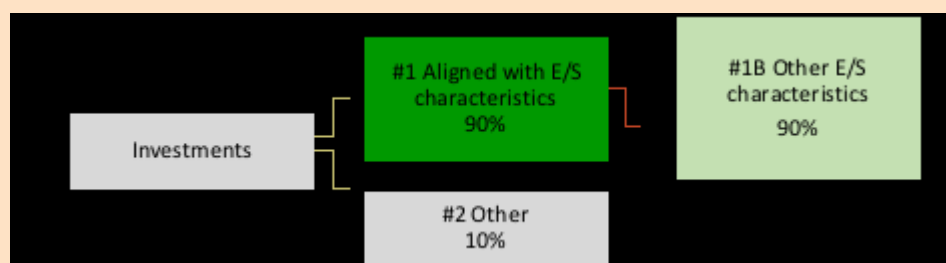
specific assets.



### **What is the asset allocation planned for this financial product?**

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.

As noted above, the sole binding element of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Fund is the exclusionary screen. Every company in which the Fund invests must pass the screen. The Fund may also invest up to 10%, for cash management purposes, in cash and cash equivalents; as such 90% of the Fund's portfolio is aligned with the binding environmental and social characteristic.

## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not intend to use derivatives to attain the environmental or social characteristics promoted.

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



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR.

☐ Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>

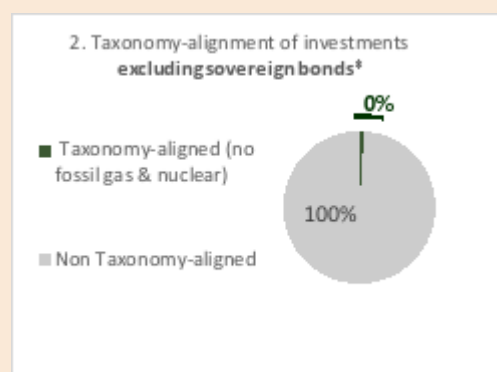
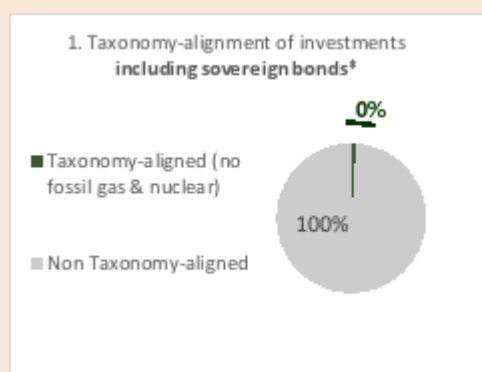
Yes:

☐ 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

<sup>1</sup> 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 Regulations (EU) 2022/1214.

performance.



**What is the minimum share of investments in transitional and enabling activities?**

The Fund does not commit to make investments that are aligned with the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Fund does not commit to a minimum share of sustainable investments.



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?**

The Fund does not commit to investing in socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Investments referred to under “#2 Other” include cash and cash equivalents for liquidity management purposes. Given the nature of such investments, no environmental or social safeguards are applied.



**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?**

The Fund does not use a designated index to reference benchmark its investments, neither in terms of financial performance, nor in terms of benchmarking whether it is aligned with the environmental and/or social characteristics that the Fund promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ☐ **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

- ☐ **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

- ☐ **How does the designated index differ from a relevant broad market index?**



Not applicable.

- ☐ ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website:

[www.fundrock.com](http://www.fundrock.com)

