PROSPECTUS

Espiria

Espiria (the "Fund") is an investment company which offers investors a choice between several classes of shares (each a "Class") in a number of sub-funds (each a "Sub-Fund"). The Fund is organised as an investment company registered under Part I of the Law (as defined hereinafter).

May 2026

IMPORTANT INFORMATION

The Directors of the Fund, whose names appear hereafter, accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Shares of the Fund are offered solely on the basis of the information and representations contained in this prospectus (the "Prospectus") and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The Shares are not listed on the Luxembourg Stock Exchange or any other stock exchange. The Directors of the Fund may decide to make an application to list the Shares on any recognised stock exchange at any time.

The information contained in this Prospectus will be supplemented by the Key Information Document (the "KID"), the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered office of the Fund.

The Fund is an open-ended investment company organised as a *Société d'Investissement à Capital Variable* (SICAV). The Fund is registered under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the "Law"). The above registrations do not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

United States: The Shares have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940 (the "Investment Company Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to US Persons (as defined in Regulation S under the Securities Act). The Fund's Articles restrict the sale and transfer of Shares to US Persons and the Fund may repurchase Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to ensure compliance with the Securities Act and the Investment Company Act (see under "SUBSCRIPTIONS" below).

Investor rights: The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise their investor rights directly against the Fund, notably the right to participate in general shareholders' meetings if the investor is registered itself and in their own name in the shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary, investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. In the event that compensation is paid to investors due to errors or non-compliance, investors who have invested through a financial intermediary may have their rights to compensation impacted. Investors are advised to take advice on their rights.

Processing of Personal Data: The Fund and the Management Company (the "Controllers") jointly process information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) 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 Controllers directly from the Data Subjects or from other sources (including prospective or existing investors, 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 Controllers is contained in a privacy notice (the "Privacy Notice"). Investors and any persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers or their service providers in relation to the Fund 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 luxembourg@eastcapital.com or by calling +352 20 882 191.

Obtaining and accessing the Privacy Notice: The Privacy Notice is available and can be accessed or obtained online www.eastcapital.com/privacy, by calling +352 20 882 191, or upon request addressed to luxembourg@eastcapital.com. The Privacy Notice is available in both paper and e-format.

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 originate, and the existence of automated decision-making, including profiling (if any);

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

- that Data will be processed by the Controllers 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 investment and interest in the Fund, (ii) enabling the Controllers and the Processors to perform their services for the Fund, and (iii) enabling the Controllers and the 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 Controllers and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;

- 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 failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Fund;

- 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, any of the Controllers or their service providers in relation to the Fund, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controllers; that they may be notified of any change to or update of the Privacy Notice by any means that the Controllers deem appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controllers any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controllers; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data 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 continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controllers harmless from and against adverse consequences arising from any breach of the foregoing.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

Generally: The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

This Prospectus has been drafted in English. It may be translated into any other language the Directors may deem useful and such translations must only contain the information contained in this English version. In case of divergences between the English and the translated version, the English version shall prevail.

DIRECTORY

Espiria
R.C.S. Luxembourg B 67545

Registered Office
11, rue Sainte-Zithe
L-2763 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Mrs. Karine Hirn (Chairperson)
Chief Executive Officer
East Capital Asia Limited, Hong Kong

Mr. Peter Elam Håkansson
Chairman and Chief Investment Officer
East Capital Holding AB, Stockholm

Mr. Jérôme Wigny
Partner
Elvinger Hoss Prussen, *société anonyme*, Luxembourg

Mrs. Louise Hedberg
Independent advisor and consultant
Stockholm

Management Company
East Capital Asset Management S.A.
11, rue Sainte-Zithe
L-2763 LuxembourgGrand Duchy of Luxembourg

Depositary and Paying Agent in Luxembourg
Skandinaviska Enskilda Banken AB Luxembourg Branch
4, rue Peternelchen
L-2370 Howald
Grand Duchy of Luxembourg

Central Administration Agent, Registrar and Transfer Agent
UI efa S.A.
2, rue d'Alsace
L-1122 Luxembourg
Grand Duchy of Luxembourg

Investment Manager
Espiria Asset Management, a division of East Capital Financial Services AB
Kungsgatan 28
SE-111 93 Stockholm
Sweden

Auditor
KPMG Audit S.à r.l.
Cabinet de révision agréé
39, Avenue J. F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

CONTENTS

	Page
IMPORTANT INFORMATION	**2**
DIRECTORY	**6**
DEFINITIONS	**10**
INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS	**15**
ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE	**23**
LIQUIDITY RISK MANAGEMENT PROCESS	**25**
RISK MANAGEMENT PROCEDURES	**26**
TECHNIQUES AND INSTRUMENTS	**27**
COLLATERAL MANAGEMENT	**31**
RISK WARNINGS	**35**
BOARD OF DIRECTORS	**53**
MANAGEMENT COMPANY	**53**
INVESTMENT MANAGER	**55**
DEPOSITARY	**56**
CENTRAL ADMINISTRATION AGENT, REGISTRAR AND TRANSFER AGENT	**58**
AUDITOR	**58**
PLACEMENT AND DISTRIBUTION AGENTS	**59**
SHARE CLASSES	**59**
SUBSCRIPTIONS	**61**
REDEMPTIONS	**66**
CONVERSIONS	**68**
PRICING ADJUSTMENT	**69**
SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES	**70**
MARKET TIMING AND FREQUENT TRADING POLICY	**72**
NET ASSET VALUE	**72**
FEES AND EXPENSES	**74**
REPORTS AND FINANCIAL STATEMENTS	**77**
DISTRIBUTION POLICY	**77**
TAXATION	**78**
CONFLICTS OF INTERESTS	**81**
GENERAL AND STATUTORY INFORMATION	**82**
LUXEMBOURG REGISTER OF BENEFICIAL OWNERS	**86**

ANNEX 1: Espiria Global Innovation **88**
ANNEX 2: Espiria Hållbar Framtid **92**
ANNEX 3: Espiria 90 **96**
ANNEX 4: Espiria 60 **100**
ANNEX 5: Espiria 30 **104**
ANNEX 6: Espiria Nordic Corporate Bond **108**
ANNEX 7: Espiria Sweden Small Cap **112**
Fee Schedule **116**
SFDR Schedule **122**

DEFINITIONS

"Annex"	An annex to this Prospectus containing information with respect to a particular Sub-Fund.
"Articles"	The Articles of Incorporation of the Fund as amended from time to time.
"Business Day"	Any day as defined per Sub-Fund in the relevant Annex.
"Central Administration Agent, Registrar and Transfer Agent"	UI efa S.A.
"Classes"	Pursuant to the Articles, the Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different currency hedging techniques and/or subscription, conversion or redemption fees and management charges and/or distribution policies, minimum subscription or holding amount or any other specific feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described under "Share Classes" and in the relevant Annex.
"CSSF"	*Commission de Surveillance du Secteur Financier*, the Luxembourg authority for the supervision of the financial sector.
"Depositary"	Skandinaviska Enskilda Banken AB Luxembourg Branch acting as depositary of the Fund.
"Directors"	The members of the board of directors of the Fund for the time being and any successors to such members as they may be appointed from time to time.
"EU"	European Union.
"Eligible Market"	A Regulated Market in an Eligible State.
"Eligible State"	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.

"Fee Schedule"	A schedule to this Prospectus containing information on management company fees, performance fees (if any), depositary fees and central administration fees charged to each Sub-Fund/Class.
"Fund"	Espiria.
"Half Business Day"	Any day as defined per Sub-Fund in the relevant Annex.
"Ineligible Applicant"	An ineligible applicant as described under "Subscriptions".
"Investment Manager"	Espiria Asset Management, a division of East Capital Financial Services AB, a Swedish securities company authorized under the Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden,* implementing *inter alia*, the Directive 2014/65/EU on markets in financial instruments (MiFID)), with company registration number 556988-2086 at the Swedish Company Registration Office.
"Institutional Investors"	Institutional investors as defined for the purposes of the Law and by the administrative practice of the CSSF and the Luxembourg *Administration de l'enregistrement et des domaines*.
"KID"	The Key Information Document according to the Commission Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for PRIIPs.
"Management Company"	East Capital Asset Management S.A.
"Minimum Holding Amount"	The minimum value of a holding of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Annex.
"Minimum Subscription Amount"	The minimum value of the first subscription of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Annex.
"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 the Fund, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles.
"Net Asset Value per Share"	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class.
"Nominee"	Any intermediary appointed in this capacity from time to time.

"OECD"	Organisation for Economic Co-operation and Development.
"Placement & Distribution Agent(s)"	Any placement & distribution agents as may be appointed by the Management Company from time to time.
"Redemption Charge"	A charge not exceeding the percentage of the Redemption Price disclosed in the relevant Annex that may be applied to redemptions of Shares.
"Redemption Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day.
"Registrar and Transfer Agent"	UI efa S.A.
"Regulated Market"	A market within the meaning of Article 4(1)14 of directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public.
"Share"	A share of no par value of any Class in the Fund.
"Shareholder"	A person recorded as a holder of Shares in the Fund's register of shareholders.
"Stock Connect"	A securities trading and clearing linked program (namely Shanghai-Hong Kong Stock Connect and Shenzhen – Hong Kong Stock Connect) developed by The Stock Exchange of Hong Kong Limited ("SEHK"), Hong Kong Securities Clearing Company Limited ("HKSCC"), China Securities Depository and Clearing Corporation Limited ("ChinaClear"), the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE"), respectively, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) ("Mainland China") and Hong Kong.
"Sub-Fund"	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund.
"Subscription Charge"	A sales commission not exceeding 5% of the Subscription Price levied for the benefit of Placement & Distribution Agents and/or financial intermediaries. The Subscription Charge is to be

	considered as a maximum rate and a Placement & Distribution Agents may decide at its discretion to waive this charge in whole or in part.
"Subscription Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day.
"Transferable Securities"	Shall mean: - shares and other securities equivalent to shares, - bonds and other debt instruments, - 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 authorised pursuant to Directive 2009/65/EC, as amended.
"Other UCI"	An Undertaking for Collective Investment within the meaning of the Article 1(2) (a) and (b) of Directive 2009/65/EC, as amended.
"United States"	The United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction.
"US Person"	A citizen or resident of the United States, a corporation, partnership or other entity created in or under the laws of the United States or any person falling within the definition of the term "United States Person" under Regulation S promulgated under the 1933 Act.
"Valuation Day"	Any day as defined per Sub-Fund in the relevant Annex.
"1933 Act"	As defined on page 2 above.
"1940 Act"	As defined on page 2 above.

All references to a Class shall, where no Classes have been created within a Sub-Fund, be deemed to be references to the Sub-Fund.

In this Prospectus all references to "US Dollars", "USD" and "US$" are to the United States Dollar, all references to "SEK" are to the Swedish Krona, all references to "Euro", "EUR" and "€" are to the Single European Currency.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Investment Objectives and Policies

The main objective of each Sub-Fund will be to invest in transferable securities and other eligible assets with the purpose of spreading investment risks and achieving long-term capital growth. Under normal circumstances, the Sub-Funds will be fully invested in accordance with the investment policy set out in the relevant Annex. Part of a Sub-Fund's net assets can be held temporarily in liquid assets, including money-market instruments and cash or cash equivalents. In accordance with the below investment restrictions, the Fund may use derivatives. Their use need not be limited to hedging the Fund's assets, they may also be part of the investment strategy. The extent of usage of derivatives is laid down in the relevant Annex.

Trading in derivatives is conducted within the confines of the investment restrictions and provides for the efficient management of the Fund's assets, while also regulating maturities and risks.

Where the financial derivative instrument is cash-settled automatically or at the Fund's discretion, the Fund will be allowed not to hold the specific underlying instrument as cover.

As acceptable cover are considered:

a) cash
b) liquid debt instruments with appropriate safeguards
c) other highly liquid assets

which are recognised by the competent authorities considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards.

The Fund may take any measures and carry out any operation, which it deems useful to the accomplishment and to the development of its object in the broadest sense within the context of the Law. It cannot however guarantee that it will achieve its objectives given financial market fluctuations and the other risks to which investments are exposed.

Investment Restrictions

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Fund in respect of each Sub-Fund subject to the following restrictions:

I. (1) Unless otherwise provided for in the relevant Sub-Fund Annex, the Fund, for each Sub-Fund, may invest in:

a) transferable securities and money market instruments admitted to or dealt in on an Eligible Market;

b) 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 an Eligible Market and such admission is secured within one year of the issue;

c) units of UCITS and/or other UCI, whether situated in an EU Member State or not, provided that:

- such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union 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 85/611/EEC, as amended or the Council Directive 2009/65/EC,

- 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;

d) Shares of other Sub-Funds of the Fund provided that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund; and

- no more than 10% of the assets of the target Sub-Fund can, according to its investment policy, be invested in aggregate in units of other UCITS or other UCIs; and

- voting rights, if any, attached to the relevant Shares are suspended for as long as the Shares are held by the Sub-Fund concerned.

For as long as the Shares of a Sub-Fund are held by another Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by Law.

There shall be no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the target Sub-Fund and the target Sub-Fund itself.

e) 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 Member State of the EU or, if the registered office of the credit institution is situated in a non-Member State of the EU, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

  - the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;

  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;

  - 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 Fund's initiative;

and/or

g) money market instruments other than those dealt in on an Eligible Market and referred to under "Definitions", if the issue or the issuer of such instruments is itself 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 an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU 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 EU Member States belong, or

  - issued by an undertaking any securities of which are dealt in on Eligible Markets, or

  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or

- issued by other bodies belonging to the categories approved by the CSSF 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 EUR 10 million and which presents and publishes its annual accounts in accordance with 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 Fund 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. Each Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets. Ancillary liquid assets are bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions. In exceptionally unfavourable market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008), on a temporary basis and for a period of time strictly necessary, this limit may be increased if justified in the interest of the investors.
Liquid assets held in margin accounts in relation to financial derivative instruments do not qualify as ancillary liquid assets.

III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body.

(ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds on behalf of a Sub-Fund investments in transferable securities and money market instruments of issuing bodies 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 OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund:

- investments in transferable securities or money market instruments issued by a single body,

- deposits made with a single body, and/or

- exposures arising from OTC derivative transactions undertaken with a single body

in excess of 20% of its net assets.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.

d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds 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 assets of the Sub-Fund.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

   The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in 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 Fund 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 Fund 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 of the EU, by its local authorities or agencies, or by any other member State of the OECD, Singapore, Brazil, Indonesia and South Africa), or by public international bodies of which one or more Member States of the EU 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 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. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

b) A 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.

c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

The provisions of this paragraph V. are also waived as regards shares held by the Fund 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 Fund 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 paragraph III., V. and VI. a), b), c) and d).

VI. a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) c), provided that no more than 20% or any lower percentage (as may be disclosed in the relevant Annex) of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI. Each compartment of a UCITS or 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 UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.

c) When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by another company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, the management company or such other company may not charge subscription or redemption fees on account of the Fund's investments in the units of such UCITS or other UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the management company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 5% of the relevant net assets under management. The Fund 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) A Sub-Fund may acquire no more than 25% of the units of the same UCITS 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. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.

e) Unless otherwise decided by the Board of Directors and specifically disclosed in the relevant Sub-Fund Annex, a Sub-Fund will not invest more than 10% of its net assets in units of UCITS or other UCIs.

VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the 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 Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph 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 paragraph VII.

VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans.

b) The Fund may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.

c) The Fund may not carry out uncovered sales ("short sales") of transferable securities, money market instruments or other financial instruments.

d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business.

e) The Fund may not acquire either precious metals or certificates representing them.

IX. a) The Fund needs not comply with the limits laid down in this section when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.

b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund 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 interest of its shareholders.

c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended (the "Sustainable Finance Disclosures Regulation", "SFDR") governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of environment, social, and Governance (ESG) and sustainability-related information. Its aim is to improve sustainability-related disclosures, comparability of the disclosures for end investors and to reduce the occurrence of adverse sustainability impacts and greenwashing.

The Regulation (EU) 2020/8522 ("the Taxonomy Regulation") amends the SFDR. This Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

The Management Company and the Investment Manager complies with ESG-related disclosures requirements, as implemented under the SFDR and the Taxonomy Regulation and carefully follows and prepares for disclosures requirements that are scheduled to apply under the Regulatory Technical Standards (RTS), adopted by the European Commission on 6 April 2022. The required ESG and sustainability-related disclosures will be reflected in the prospectus and will duly be made available on our website www.espiria.se.

All Sub-Funds promote environmental and/or social characteristics within the meaning of Article 8 of the SFDR, except for Espiria Hållbar Framtid, which has sustainable investment as its objective and therefore is classified as an Article 9 Fund. Espiria Hållbar Framtid applies all criteria as outlined under ‘ESG Framework’ below and invests in companies which contribute to one or several of the UN's Sustainable Development Goals (SDGs) in their offering of products, services, and technologies.

Sustainability Risk and Principal Adverse Impacts

The Management Company and the Investment Manager identify, analyse and integrate sustainability risks in their investment decision-making process as they consider that this integration enhances long-term risk adjusted returns for investors. The Management Company and the Investment Manager are of the opinion that unmanaged material sustainability risks and opportunities may influence the current and future position of a company.

The Management Company and the Investment Manager consider principal adverse impacts derived from sustainability factors throughout each step of the investment process starting from the definition of the investable universe to portfolio construction and its active ownership approach. The identification of principal adverse impacts is done prior to and during the investment through exclusionary screening which implies that it will not invest in companies which generate a significant part of their revenue from sources which do not match the Management Company's and the Investment Manager's ESG criteria. Further norm-based screening is conducted on all portfolios, which identifies portfolio holdings that are alleged to conduct business in a manner contrary to well-established and generally agreed international norms related to ESG.

With respect to Sub-Funds classified under article 8 of the SFDR, 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.

ESG Framework

Sector exclusions

The Sub-Funds do not invest in companies which generate a majority of their revenue from the production or sale of tobacco products, pornography and gambling, alcohol and fossil fuel extraction. In addition, companies that fail to meet our exclusion criteria within the following sectors cannot be classified as sustainable: weapons, tobacco, pornography, gambling, alcohol, and fossil fuels (unless taxonomy-aligned). Moreover, as per the environmental, social and governance (ESG) policy applied by the Investment Manager in its investment decision-making and ongoing portfolio monitoring ("**East Capital Group´s ESG Policy**"), the Sub-Funds do not invest in any company involved in the production, sale, or distribution of weapons prohibited under applicable international law (including relevant international conventions and treaties), or other weapons that are widely recognized as controversial due to their indiscriminate harm or severe humanitarian effects. Compliance with these exclusion criteria is confirmed at the time of investment and reviewed on a regular basis.

Controversy analysis

To alert us of suspected breaches of international conventions and norms on human rights, labour standards, environment, health and safety or corruption, screening is part of the investment process with additional ad-hoc analysis if deemed necessary.

Proprietary ESG analysis

To structure our review of relevant and material ESG risks and opportunities the Investment Manager carries out proprietary ESG analyses, ensuring that the entire investment team integrates relevant and materials risks and opportunities in their fundamental analysis, and providing a holistic analysis of company quality.

Active ownership & Engagement

As active investors, the Management Company and the Investment Manager believe that the investment activities of the Sub-Funds play a key role in implementing and enforcing improved ESG standards and strengthening the chain of accountability in portfolio companies through our monitoring capacity and constructive engagement, and when we deem that our engagement has not resulted in the desired change, through divestment of the portfolio companies.

Given the emphasis on engagement as one of the key features in our approach towards promoting sustainability characteristics, the Sub-Funds may also invest in portfolio companies which are not yet scoring high on our ESG scorecard, but where the analysis identifies potential for positive change or when engagement can lead to a significant positive impact on ESG-related objectives, for example by reduced carbon emissions, improved production processes, waste management and labour safety practices, as well as more transparent and accountable corporate governance.

For more detailed information on our ESG framework, please refer to the "Responsible investments" section on our website, East Capital Group's annual Sustainable Investment Report and our product-specific sustainability disclosures, all available on www.espiria.se.

All Sub-Funds promote, among others, environmental, social and/or governance characteristics within the meaning of article 8 of SFDR **(as further described in the SFDR schedule of this Prospectus)**, except Espiria Hållbar Framtid which has sustainable investment as its objective within the meaning of article 9 of SFDR **(as further described in the SFDR schedule of this Prospectus)**. Espiria Hållbar Framtid applies all criteria as outlined above and invests in companies who contribute to one or several of the UN's Sustainable Development Goals (SDGs) in their offering of products, services, and technologies.

LIQUIDITY RISK MANAGEMENT PROCESS

The Management Company has established, implemented and consistently applies a liquidity management procedure and has put in place prudent and rigorous liquidity management procedures which enable it to monitor the liquidity risks of the Sub-Funds and to ensure compliance with the internal liquidity thresholds so that the Sub-Funds can normally meet at all times their obligation to redeem their Shares at the request of Shareholders.

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 liquidity of the Sub-Funds.

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

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 liquidity risks are further described in sub-section "Liquidity Risk" of section "RISK WARNINGS" of this Prospectus.

The Board of Directors, or the Management Company, where deemed necessary and appropriate to protect Shareholders, may also make use, among others, of certain tools to manage liquidity risk as described in the following sections of the Prospectus:

- Section "SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES": the Fund may temporarily suspend the calculation of the Net Asset Value and the right of any Shareholder to request redemption of any share in any Sub-Fund or Class of Shares of the Fund and the issue of Shares in any Sub-Fund or Class of Shares of the Fund.

- Section "PRICING ADJUSTMENT": Under certain circumstances and unless otherwise provided in the Annex relating to a Sub-Fund, the Management Company has the power to adjust the Net Asset Value per Share applicable to the Redemption Price as described hereafter under the sub-section "Swing Pricing". In any case, the adjustments to the Net Asset Value per Share applicable for any Valuation Day shall be identical for all redemptions dealt with as of such day.

  If redemption requests for more than 10% of the Net Asset Value of a Sub-Fund are received, then the Management Company shall have the right to limit redemptions so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Shareholders seeking to redeem Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

- Sub-section "Swing Pricing" in section "PRICING ADJUSTMENT", the Net Asset Value per Share of a Sub-Fund may be adjusted on a valuation date in certain circumstances.

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 is more recent, as further described under section "REPORTS AND FINANCIAL STATEMENTS".

RISK MANAGEMENT PROCEDURES

In accordance with applicable laws and regulations, and in particular CSSF regulation No. 10-4 transposing Commission Directive 2009/65/EC of the European Parliament and of the

Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company, CSSF Circular 11/512, CSSF Circular 18/698, the ESMA Guidelines on risk measurement and the calculation of global exposure and counterparty risk for UCITS (ref.: ESMA/10-788) and the ESMA Guidelines on risk management principles for UCITS (ref.: ESMA/09-178), the Management Company employs 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 the portfolio. The Management Company uses the service from an external risk provider to compile necessary data to properly oversee the Fund in terms of risk. The Management Company however maintains full responsibility in its capacity as Permanent Risk Function.

The risk profile of the Fund is monitored taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Unless otherwise provided for any Sub-Fund in the relevant Annex, the commitment approach is used to monitor and measure the global exposure of each Sub-Fund.

This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting or hedging.

TECHNIQUES AND INSTRUMENTS

1. General principles

To the maximum extent allowed by, and within the limits set forth in the Luxembourg regulations, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the Law, and (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments and CSSF Circular 11/512 (as may be amended or replaced from time to time), each Sub-Fund intends for the purpose of generating additional capital or income or for reducing costs or risks, to engage in securities lending transactions on continuous or on a temporary basis depending on factors as further described hereafter. In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on exchange traded funds ("ETFs") and other UCITS issues as described in CSSF Circular 14/592 and with EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse of November 25, 2015 ("SFTR").As of the date of this Prospectus, the Fund does not enter into (i) reverse repurchase transactions or repurchase transactions or (ii) total return swap arrangements.

2. Securities Lending

For the purposes of efficient portfolio management and in order to enhance growth and generate additional income, the Fund intends to enter into a securities lending program with a securities lending agent. Securities lending transactions are managed by the appointed securities lending agent which can be the Depositary or an independent third party. The securities lending agent is not a related party to the Management Company or the Investment Manager.

The assets that may be subject to securities lending transactions are among others:

- short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;

- 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 world-wide scope;

- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

- bonds issued by non-governmental issuers offering an adequate liquidity;

- shares quoted or negotiated on a regulated market.

A Sub-Fund enters into securities lending transactions in regard to the securities in its portfolio for up to 50% of its net assets. The proportion of a Sub-Fund's net assets subject to securities lending transactions typically vary between 0% and 20%. Such variations may be dependent on factors such as, but not limited to, total Sub-Fund's net assets, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market. During periods of little or no demand from the market to borrow the underlying securities, the proportion of the Sub-Fund's net assets subject to Securities Lending Transactions may be 0%, while there may also be periods of higher demand, in which case this proportion may approach 20%.

The counterparties to securities lending transactions will be selected on the basis of certain criteria. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The counterparties to such transactions will typically be organisations based in an OECD member state. The Fund will seek to appoint counterparties from a list of approved counterparties who have undergone a credit risk analysis by the securities lending agent taking into account CSSF rules on counterparty selection, and whose ratings so rated by Standard & Poor's or Moody's Investor Services must not be lower than BBB+ or equivalent. The Fund will therefore only enter into securities lending transactions with such counterparties that are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the Management Company.
The Fund will collateralize its securities lending transactions pursuant to the provisions set forth hereunder in section "COLLATERAL MANAGEMENT".

The risks linked to the use of securities lending transactions as well as the risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in section "RISK WARNINGS".

Assets subject to securities lending transactions will be safe-kept by the Depositary or by the Agent.

Policy on sharing of return generated by securities lending transactions

All revenues arising from securities lending transactions, net of direct and indirect operational costs and fees, will be returned to the Fund. Such costs and fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques and transactions.

The securities lending agent provides expertise and operational support for securities lending and in return will charge a fee for its services. Securities lending activities generate income for the relevant Sub-Fund lending securities. At least 75% of the gross income generated from any securities lending transaction will accrue to the relevant Sub-Fund, while up to 25% of the gross income will be split between the securities lending agent arranging the securities lending transaction for the relevant Sub-Funds and the Management Company. The Management Company will not receive more than 5% of the gross income generated from any securities lending transaction to cover its costs relating to monitoring, reviewing and acting upon portfolio related security lending activities. All other costs/fees of running the program are paid from the securities lending agent's portion of the income. This includes all direct and indirect costs / fees generated by the securities lending activities. Details of such amounts and the identity of the securities lending agent(s) will be disclosed in the financial reports of the Fund.

In accordance with applicable laws and regulations:

(i) The Fund may only lend through a standardized system organized by a recognized clearing institution or through a first class financial institution specializing in this type of transaction approved by the board of directors of the Management Company. In all cases, the counterparty to the securities lending agreements must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement. If the Fund lends its securities to entities that are linked to the Fund by common management or control, specific attention has to be paid to the conflicts of interest which may result therefrom.

(ii) As part of lending transactions, the Fund must receive an appropriate collateral, the value of which at the conclusion of the contract must be at least equal to the global valuation of the securities lent. At maturity of the securities lending transaction, the appropriate collateral will be remitted simultaneously or subsequently to the restitution of the securities lent.

(iii) All assets received by the Fund in the context of efficient portfolio management techniques should be considered as collateral. The collateral must comply with the conditions set forth below under section "COLLATERAL MANAGEMENT"

(iv) In case of a standardised securities lending system organised by a recognised clearing institution or in case of a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialised in this type of transactions, securities lent may be transferred before the receipt of the guarantee if the intermediary in question assures the proper completion of the transaction. Such intermediary may, instead of the borrower, provide to the Fund a guarantee which the value at conclusion of the contract must be at least equal to the total value of the securities lent.

(v) The Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Fund's assets in accordance with its investment policy.

(vi) With respect to securities lending, the Fund will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least the total value of the securities lent (interest, dividends and other potential rights included) as further described hereunder in section "COLLATERAL MANAGEMENT".

(vii) The Fund ensures that it is able at any time to recall any security that has been lent or terminate any securities lending transaction into which it has entered; and

(viii) The Management Company does not act as securities lending agent.

3. Disclosure to Investors

In connection with the use of techniques and instruments the Fund will, in its financial reports, disclose the following information:

- the exposure obtained through efficient portfolio management techniques;

- the identity of the counterparty(ies) to these efficient portfolio management techniques;

- the type and amount of collateral received by the Fund to reduce counterparty exposure;

- the use of securities lending transactions pursuant to the SFTR.

- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

COLLATERAL MANAGEMENT

The risk exposures to a counterpart arising from OTC financial derivative transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits of Article 43 of the 2010 Law.

Where the Fund enters into OTC financial derivative transactions, efficient portfolio management techniques and securities lending transactions all collateral used to reduce the counterparty risk exposure shall comply with the following criteria at all times:

a) liquidity – any collateral received other than cash shall be 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. Collateral received shall also comply with the provisions of Article 48 of the 2010 Law;

b) valuation – collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;

c) issuer credit quality – collateral received shall be of high quality;

d) correlation – the collateral received by the Fund shall be issued by an entity that is independent from the counterpart and is expected not to display a high correlation with the performance of the counterpart;

e) collateral diversification (asset concentration) collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterpart of efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When the Fund is exposed to different counterparts, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the 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, a third country, or a public international body to which one or more Member States belong. In such a case, the 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 respective Sub-Fund‘s Net Asset Value. The list of eligible jurisdictions includes, but is not limited to, Canada, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States of America;

f) risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process;

g) where there is a title transfer, the collateral received shall be held by the depositary of the Fund. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral;

h) collateral received shall be capable of being fully enforced by the Fund at any time without reference to or approval from the counterpart;

i) non-cash collateral received:
   - shall not be sold, re-invested or pledged;
   - must be issued by an entity independent of the counterparty; and
   - must be diversified to avoid concentration risk in one issuer, sector or country.

j) the maturity of the non-cash collateral shall be a maximum of 40 years.

k) cash collateral received shall only be:
   - placed on deposit with entities prescribed in Article 41(1)(f) of 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 Fund 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/10-049 Guidelines on a common definition of European money market funds.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Re-invested cash collateral will expose the Sub-Fund to certain risks such as foreign exchange risk, the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Each Sub-Fund must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Sub-Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities. During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged.

Subject to the above criteria, the eligible collateral includes:

(i) cash denominated in the currency of the Fund (or relevant Sub-Fund), or any other G10 currency, and money market instruments with an external credit rating AA- or above of the issuer;

(ii) marketable securities representing claims on or claims guaranteed by central banks of eligible jurisdictions, non-central government public sector entities, the Bank for International Settlements, the International Monetary Fund, the European Commission, given that they are traded in large, deep and active markets characterized by a low level of concentration;

(iii) marketable securities representing claims on or claims guaranteed by eligible jurisdictions, their central banks, non-central government public sector entities or multilateral development banks, with a credit rating of A- or above;

(iv) shares or units issued by money market UCIs complying with the CESR/10-049 Guidelines on a common definition of European money market funds, offering a daily liquidity, calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

(v) shares or units issued by UCITS offering a daily liquidity and investing mainly in bonds or shares fulfilling the two requirements below;

(vi) debt instruments with an external rating at least equivalent to "investment grade";

(vii) shares and convertible bonds dealt on a regulated market, on the condition that these shares are included in a main index.

The list of eligible jurisdictions includes, but is not limited to, Canada, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States of America.

For the valuation of the collateral the following haircuts will be applicable.

Collateral	Haircut		
1. cash in Fund's (or relevant Sub-Fund's) currency	0%-5%		
2. money market instruments with an external credit rating A or above	0.5%-5%		
3. debt instruments	residual maturity		
	less than 1 year	1-5 years	5-10 years
corporate debt instruments with a rating of A or above	1%-4%	3%-7%	6%-12%
bonds issued or guaranteed by an eligible jurisdiction	0.5%-2%	1%-5%	4%-8%

4. shares or units issued by money market UCITS offering a daily liquidity, calculating a daily net asset value, and investing in instruments being assigned a rating of AAA or its equivalent	0.5%-2%
5. shares or units of UCITS offering a daily liquidity and primarily investing in bonds or equities fulfilling requirements of the eligible collateral	look-through per time to maturity
6. convertible bonds dealt on a regulated market whose underlying share are included in a main index	15%-20%
7. security part of a main market index (e.g. DAX, FTSE 100, DJIA, NASDAQ 100)	5%-15%
8. security part of other market index (e.g. HDAX)	8%-20%

However, the haircut applicable for the valuation of collateral may differ for the use of efficient portfolio management techniques via an agent where the Fund, in addition to the collateral received, is covered by full indemnity from the agent in case of borrower default and/or collateral shortfalls. In such circumstances the following haircuts will be applicable. Collateral for the use of efficient portfolio management techniques that are also covered by full indemnity of an agent may furthermore have a longer dated residual maturity than mentioned in the table above.

Collateral	Haircut
1. money market instruments and debt instruments issued or guaranteed by an eligible jurisdiction	Min. 2%
2. corporate debt instruments or security part of a market index	Min. 5%

The Management Company reserves the right to review and amend the above haircuts at any time when the market conditions have changed and when and if this is deemed in the best interest of the Fund.

Cash as collateral may only be placed in:

(i) high quality eligible sovereign debt and/or debt guaranteed by an eligible jurisdiction subject to a AAA-equivalent rating;

(ii) any other government bonds generally considered risk-free in reference to AAA-equivalent rating;

(iii) short term money market funds subject to a AAA-equivalent rating;

(iv) plain vanilla corporate bonds or plain vanilla money market instruments with a short maturity (generally 3 months) from issuers in OECD member countries subject to AAA- equivalent rating.

The above provisions reflect the requirements of the ESMA 2014/937 Guidelines on ETFs and other UCITS issues. In the case where these provisions were to be amended or repealed the Management Company reserves the right to implement the newly applicable ESMA requirements upon their entering into force.

RISK WARNINGS

General

Since the value of the Shares in a Sub-Fund depends on the performance of the underlying investments, which are subject to market fluctuations, no assurance can be given that the investment objective of the Sub-Funds will be achieved and that the amounts invested can be returned to the investor upon redemption of the Shares.

International Investing

Investments on an international basis involve certain risks, including:

- The value of the assets of a Sub-Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, political, economic or other developments in the law or regulations of the countries in which a Sub-Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the countries in which a Sub-Fund may invest.

- Accounting auditing and financial standards, practices and disclosure requirements applicable to some countries in which a Sub-Fund may invest may differ from those applicable in Luxembourg in that less information is available to investors and such information may be out of date.

- A Sub-Fund's assets may be invested in securities denominated in currencies other than the base currency of the Sub-Fund (details for each Sub-Fund are set out in Description of Sub-Funds), and any income from these investments will be received in those currencies, some of which may fall against the base currency of the Sub-Fund. A Sub-Fund will compute its Net Asset Value and make any distributions its base currency. Therefore, there may be a full currency exchange risk which may affect the value of the Shares and the income distributions paid by a Sub-Fund.

Interest Rate Risk

The Sub-Funds that invest in bonds or other debt securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit Risk

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

Market Risk

The risk that the value of the relevant Sub-Fund's investments will fall as a result of movements in financial markets generally.

Liquidity risk

Liquidity risk is one of the most important risks in the Sub-Funds since the Sub-Funds must have sufficient liquidity to meet payment obligations at all times. The Management Company/Investment Manager(s) invest primarily in countries with relatively new equity markets. Some equities in those countries are less liquid than in Western European markets which might affect both the price and timing when holdings are to be sold. Liquidity risks are divided into: asset liquidity risk (e.g. the risk of decreased market value of the portfolio and individual holdings due to a stressed liquidity in the market) and funding liquidity risk (e.g. the risk that a Sub-Fund cannot meet its payment obligations without considerable costs or in the worst case, does not have sufficient liquid resources to meet redemptions or other payment obligations).

Sustainability risk

Sustainability risk refers to the risk that environmental, social and governance (ESG) factors may directly or indirectly influence and may cause actual or potential negative impact on the value of an investment. Investment processes integrating ESG factors in the selection of the investment universe aim to identify such risks and in turn may or may not lead to a decision to invest. If the decision is to invest, an integral part of the investment process is to manage and where possible mitigate any potentially identified sustainability risk through different methods of influence, such as, among others, company engagement and/or exercising our voting rights at shareholders' meetings. Sustainability risks may not always be directly influenced by the invested companies based on decisions they make but are also influenced by externalities such as, but not limited to, physical risk aspect resulting from climate change.

ESG investment risk

ESG investment risk refers to the risk that investment and/or divestment decisions which are based not only on financial metrics, may result in performance differences as compared to the general market due to consideration of ESG factors in the investment decision process. Unavailability, inaccuracy, or incompleteness of data provided by third parties (where applicable) used as part of proprietary ESG scoring may lead to incorrectly assessing an investment opportunity.

Management Risk

The risk that the relevant Sub-Fund's investment techniques will be unsuccessful and may cause the Sub-Fund to incur losses.

Investing in Derivatives

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management purposes including, but not limited to, those described below. However, should the Investment Manager's expectations in employing such techniques and instruments be incorrect, a Sub-Fund may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

Financial and Derivatives Instruments and Hedging Strategies

Investments of a Sub-Fund may be composed of securities with varying degree of volatility and may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the Net Asset Value of a Sub-Fund concerned.

A Sub-Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments or may be used as part of the principal investment policies. A Sub-Fund's ability to use the strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged and movements in interest rates;

2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Sub-Fund;

3. the absence of a liquid market for any particular instrument at any particular time;

4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged).

Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Sub-Fund;

5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because of a percentage of a Sub-Fund's assets used to cover its obligations.

Warrants

When a Sub-Fund invests in warrants, the price per Share of the Sub-Fund may fluctuate more than if the Sub-Fund was invested in the underlying securit(y/ies) because of the greater volatility of the warrant price.

Contingent convertible securities

A Sub-Fund may invest in contingent securities structured as contingent convertible securities also known as CoCo bonds. A contingent convertible security is a debt security either convertible into equity at a predetermined share price, written down or written off in value based on the specific terms of the individual security if a pre-specified trigger event occurs. Contingent convertible securities are subject to the risks associated with bonds and equities, and to the risks specific to convertible securities in general. Contingent convertible securities are also subject to additional risks specific to their structure including:

Capital structure inversion risk: contingent convertible securities are typically structurally subordinated to traditional convertible bonds in the issuer's capital structure. In certain scenarios, investors in contingent convertible securities may suffer a loss of capital ahead of equity holders or when equity holders do not.

Trigger level risk: trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager of the relevant Sub-Fund to anticipate the triggering events that would require the debt to convert into equity.

Liquidity risk: convertible securities are subject to liquidity risk.

Conversion risk: it might be difficult for the Investment Manager of the relevant Sub-Fund to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager might have to sell all or part of these new equity shares in order to ensure compliance with the investment policy of the Sub-Fund. This sale may itself lead to liquidity issue for these shares.

Coupon cancellation: for some contingent convertible securities, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Call extension risk: some contingent convertible securities are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. There is no guarantee that a Sub-Fund will receive return of principal on contingent convertible securities.

Unknown risk: the structure of contingent convertible securities is innovative yet untested.

Valuation and Write-down risks: the value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. In some cases, the issuer may cause a convertible security to be written down in value based on the specific terms of the individual security if a pre-specified trigger event occurs. There is no guarantee that a Sub-Fund will receive return of principal on contingent convertible securities.

Industry concentration risk: investment in contingent convertible securities may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.

Perpetual bonds risk:
Perpetual bonds are fixed income securities with no maturity date. Perpetual bonds may be exposed to additional liquidity risk in certain market conditions. The liquidity for such investments in stress market environments may be limited, negatively impacting the price they may be sold, which may negatively impact the related Sub-Fund's performance. In addition, 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.

Below Investment Grade Risk, Defaulted and Distressed Securities Risk

As compared to investment grade debt securities, below investment grade debt securities (also often labelled as "High Yield" or "Junk" bonds) can involve additional risks. Such debt securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. Whilst such issues are likely to have some quality and protective characteristics, these are often outweighed by large uncertainties or major risk exposure to adverse economic conditions. Any investment in defaulted securities may carry supplementary risks. The failure of an issuer or counterparty may result in losses. Issuer risk concerns the impact of the specific situation of the issuer in question, which affects the price of a security in parallel with the general situation on capital 30 markets. Even careful selection of securities can never eliminate the risk of losses resulting from the bankruptcy of issuers. Securities with a higher rating at the time of acquisition may downgrade to distressed or defaulted securities and expose a Sub-Fund to the risks associated with such securities.

Distressed debt and securities and in particular distress obligations, are most of the time issued by companies in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. These obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. They are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer. Below investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. The ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the bankruptcy court's power to disallow, reduce, subordinate, recharacterise debt as equity or disenfranchise particular claims. There is no assurance that value of the assets collateralising the Company's investments will be sufficient or that prospects for a successful reorganisation or similar action will become available. In any reorganisation or liquidation proceeding relating to a company in which the Company invests, the Company may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Company's investments may not compensate the shareholders adequately for the risks assumed.

In addition evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Unrated debt securities

A Sub-Fund may invest in debt securities which have not been and may never be rated by an external independent rating agency. The credit quality of such securities is assessed by the investment manager at the time of investment. Investments in unrated debt securities are subject to the risks of securities of comparable credit quality.

Participatory Notes Risks

Participatory notes also known as p-notes are financial instruments that may be used by some Sub-Funds to gain exposure to an equity or equity related investment in a local market where direct ownership is not allowed or not easily accessible for the relevant Sub-Funds. The relevant Sub-Funds can gain exposure to investments through p-notes, which are issued by banks, broker-dealers or other counterparties. P-Notes are treated as transferrable securities if they are listed for trading on a regulated exchange, however the listing does not guarantee any actual liquidity. P-notes may carry exposure to both liquid and illiquid securities and may trade at prices that are below the value of their underlying securities. P-notes may carry exposure to securities suspended from trading which may adversely affect the relevant Sub-Funds' ability to exit its investment in p-notes at a favourable price. Sub-Funds investing in p-notes may lack some of the rights (such as voting rights) they would have if they owned the underlying securities directly. If the issuer of the p-notes becomes unable or unwilling to honour its obligations to the relevant Sub-Fund, the Sub-Fund may lose money. Therefore investments in p-notes involve counterparty risk towards the issuer of the p-notes. Sub-Funds investing in p-notes are thus exposed not only to movements in the value of the underlying security, but also to the risk of counterparty default, which may in the event of counterparty default result in the loss of the full market value of the investment.

Counterparty Risk

The Sub-Funds will be exposed to credit risk on the counterparties with which they trade in relation to financial derivative instrument contracts that are not traded on a recognised exchange or in relation to the Sub-Fund's commitments vis-à-vis a counterparty when using the techniques described above, in particular swaps, TRS and forwards, in the event of the counterparty's default or its inability to fulfil its contractual obligations. Such instruments are not afforded the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house. The Sub-Funds will be subject to the possibility of insolvency, bankruptcy or default of a counter party with which the Sub-Fund trades. Such instruments could result in a substantial loss to a Sub-Fund.

Securities Lending Risk

The principal risk when engaging in securities lending is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, securities lending may not be fully collateralized. Fees and returns due to the Sub-Fund under securities lending may not be collateralized. In addition, the value of collateral may decline between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the respective Sub-Fund.

The risk of losses resulting from collateral shortfalls for securities lending via an agent is however normally mitigated by indemnity provided by such agent. Under such indemnity the agent should, in case of default of a securities borrower, purchase for the account of the Fund replacement securities identical to the loaned securities or indemnify the Fund for an amount equal to the difference between the market values of the loaned securities and the market value of the collateral held against such loaned securities. Collateral shortfalls may therefore result in losses to the respective Sub-Fund due to the difference in value of the loaned securities and the collateral held as well as the loss of securities lending revenue if the agent defaults.

A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Securities lending also entails operational risks such as the non-settlement or delay in settlement of instructions for subscriptions, conversions or redemptions of Shares, and legal risks related to the documentation used in respect of such transactions (the documentation may be difficult to enforce and may be subject to interpretation). Securities lending also entails liquidity risks. In the event investments in which the Fund has reinvested the received cash collateral become illiquid or difficult to buy or sell, it may not be possible for the Fund to recover its securities and to liquidate them at the best price or to meet redemptions or other payment obligations. Securities lending triggers custody risks as the Fund's assets are safe-kept by the Depositary. In that case, the Fund risks the loss of assets held by the Depositary in the event of its insolvency, bankruptcy, negligence or fraudulent trading.

The Fund may enter into securities lending with other companies. Affiliated counterparties, if any, will perform their obligations under any securities lending concluded with the Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-Fund and its Shareholders. However, Shareholders should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

Conflicts of interests in the case of securities lending

The Depositary may also be appointed as the lending agent of the Fund under the terms of a securities lending agreement. Under the terms of such an agreement, the lending agent is appointed to manage the Fund's securities lending activities and is entitled to receive a fee which is in addition to its fee as Depositary. The income earned from stock lending will be allocated between the Fund and the Depositary and the fee paid to the Depositary will be at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to stock lending for the Fund, including fees paid or payable, will be included in the annual and semi-annual financial statements. The Management Company will, at least annually, review the stock lending arrangements and associated costs.

The Depositary may execute trades through its affiliates on both a principal and agency basis, as may be permitted under applicable law. As a result of these business relationships, the Depositary's affiliates will receive, among other benefits, commissions and mark-ups/mark-downs, and revenues associated with providing prime brokerage and other services.

Certain conflicts of interest may arise from the fact that affiliates of the Depositary or the Management Company may act as sub-distributors of interests in respect of the Fund or certain Sub-Funds. Such entities may also enter into arrangements under which they or their affiliates will issue and distribute notes or other securities the performance of which will be linked to the relevant Sub-Fund.

Other Risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which may act as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund. However, this risk is limited as the valuation method used to value OTC derivatives must be verifiable by an independent auditor.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track.

If the investors are in any doubt about the risk factors relevant to an investment, they should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser.

Investments in smaller capitalization companies ("Small Caps")

Small Caps present greater opportunities for growth but also involve greater risk than is customary associated with securities of more established issuers. The value of small company securities may fluctuate independently of larger company stock prices and broad stock market indices. The reasons for potentially higher price volatility when investing in smaller companies include the less certain growth prospects of smaller companies, the lower degree of liquidity of markets for such securities and the greater sensitivity of smaller companies to changing market conditions. Such issuers may have limited product lines, markets or financial resources and may be dependant of one or two key individuals.

Emerging and Less Developed Markets Securities Risk

Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity, significant price volatility, restrictions on foreign investment, and possible repatriation of investment income and capital. In addition, foreign Investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.

Although many of the emerging and less developed market securities in which a Sub-Fund may invest are traded on securities exchanges, they may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the relevant Sub-Fund may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Sub-Fund and compensation schemes may be non-existent or limited or inadequate to meet the Sub-Fund's claims in any of these events.

In addition investments in certain emerging and less developed countries, are currently subject to certain heightened risks with regard to the ownership and custody of securities. In these countries, shareholdings are evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing shareholdings in companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, the Fund y could lose its registration and ownership of the securities through fraud, negligence or even mere oversight. Debt securities also have an increased custodial risk associated with them as such securities may, in accordance with market practice in the emerging or less developed countries, be held in custody with institutions in those countries which may not have adequate insurance coverage to cover loss due to theft, destruction or default. It should be taken into consideration that when investing in government debt of emerging or less developed countries, particularly Ukraine, whether via the primary or secondary market, local regulations may stipulate that investors maintain a cash account directly with the sub-depositary. Such balance represents a debt due from the sub-depositary to the investors and the Depositary shall not be liable for this balance.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability, more substantial governmental involvement in the economy, less governmental supervision and regulation, unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers, and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Sub-Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

Specific risks for investment in China A-Shares

Further to the risks associated with investments in emerging and less developed market securities, certain Sub-Funds may be exposed to risks specific for investments in China A-Shares via Stock Connect.

1) General

Political and Social Risk
Investments in China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to China. Any change in the policies of China may adversely impact on the securities markets in China as well as the performance of the Sub-Fund(s) concerned.

Economic Risk

The economy of China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, level of development, growth rate and control of foreign exchange. The regulatory and legal framework for capital markets and companies in China is not well developed when compared with those of developed countries.

The economy in China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of China's economy. All these may have an adverse impact on the performance of the Sub-Fund(s) concerned.

Legal and Regulatory Risk

The legal system of China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, regulations which govern currency exchange in China are relatively new and their application is uncertain. Such regulations also empower the China Securities Regulatory Commission and the State Administration of Foreign Exchange to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

Tax Risk

The tax rules applied by the People's Republic of China ("PRC") taxation authorities in this area are unclear. As the provision made by the Fund is based on current market practice and the Fund's understanding of the tax rules, any changes to market practice or interpretation of PRC tax rules may impact this provision and may result in this provision being higher or lower than required. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how the capital gains will be taxed, the level of provision and when they subscribed for and/or redeemed their Shares in/from the relevant Sub-Fund.

The China A-Share Market

China A-Shares are listed and traded on Mainland China's domestic stock exchanges comprising the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Purchase and ownership of China A-Shares is generally restricted to Chinese investors and only accessible to foreign investors under certain regulatory frameworks in the PRC. Where a Sub-Fund is invested in securities marked in the PRC the repatriation of funds from the PRC may be subject to applicable local regulations in effect from time to time. There are uncertainties in the application of the PRC local regulations and there is no certainty that no restrictions apply to the repatriation of funds by a Sub-Fund in the PRC in the future.

Furthermore since there may potentially be limits on the total shares acquired by investors in listed PRC companies, the capacity of a Sub-Fund to make investments in China A-Shares may be limited and/or affected.

A-Shares and other Shares

As a matter of principle the issuance of different shares-classes of the same company offered at different stock exchanges in different currencies is likely to lead to a deviation in the rating and performance of the diverse share-classes due to particularities of the respective stock exchange and/or the currencies. Therefore such deviation may not necessarily reflect any material and fundamental difference in the essential value of the share. Any kind of performance deviation bears the risk of significant discrepancies in the future development of the respective share-class and a possible depression of the Stock Exchanges in order to correct such deviation. Specifically, because in the past domestic investors were restricted to trading in A-Shares, the government of the PRC has taken policy measures to influence investment decisions of holders of these shares which has in particular led to a rush demand of domestic investors and a possible overvaluation of A-Shares when compared with B-Shares or H-Shares of the same companies that could still affect the future market situation.

Disclosure of Interests

Under Mainland China laws, rules and regulations, if a Sub-Fund holds or controls shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same Mainland China Listco (as defined below), whether the relevant holdings are through Stock Connect (as defined below), the QFII/RQFII regime or other investment channels) in a Mainland China incorporated company which is listed on a Mainland China stock exchange (a "Mainland China Listco") above a certain threshold as may be specified from time to time, such Sub-Fund must disclose such interest within a specified period, and must not buy or sell any such shares within such period. The relevant Sub-Fund must also disclose any substantial change in its holding.

Such disclosures may expose the relevant Sub-Fund's holdings to the public with an adverse impact on the performance of the Sub-Fund.

Where a Mainland China incorporated company has both H-Shares listed on the SEHK and A-Shares listed on the SSE or SZSE (as defined below), if a Sub-Fund is interested in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A-Shares purchased through Stock Connect) in such Mainland China incorporated company, such Sub-Fund is under a duty of disclosure pursuant to Part XV of the Securities and Futures Ordinance (Cap 571) (the "SFO"). Part XV of the SFO does not apply where the Mainland China incorporated company has not listed any shares on the SEHK.

Foreign Ownership Limits

Under Mainland China laws, there is a limit to how many shares a single foreign investor (including a Sub-Fund) is permitted to hold in a single Mainland China Listco, and also a limit to the maximum combined holdings of all foreign investors in a single Mainland China Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Stock Connect, the QFII/RQFII regime or other investment channels). The single foreign investor limit is currently set at 10% of the shares of a Mainland China Listco and the aggregate foreign investor limit is currently set at 30% of the shares of a Mainland China Listco. Such limits are subject to change from time to time.

Currency and Foreign Exchange
A-Shares are priced in RMB and the PRC government controls future movements in exchange rates and currency conversion. The exchange rate floats against a basket of foreign currencies, therefore such exchange rate could fluctuate widely against the US Dollar and Hong Kong Dollar or other foreign currencies in the future. Currently, there is no market or instrument in which an investor may engage in hedging transactions to effectively minimize RMB foreign exchange risk, and there can be no guarantee that instruments suitable for hedging currency will be available at any time in the future. In particular any depreciation of RMB will decrease the value of any dividends and other proceeds an investor may receive from its investments.

2) Risks relating to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect
A Sub-Fund may invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen – Hong Kong Stock Connect (together referred as to "Stock Connect"). Stock Connect is a securities trading and clearing linked program developed by The Stock Exchange of Hong Kong Limited ("SEHK"), Hong Kong Securities Clearing Company Limited ("HKSCC"), China Securities Depository and Clearing Corporation Limited ("ChinaClear"), the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE"), respectively, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) ("Mainland China") and Hong Kong. Under a joint announcement issued by the Securities and Futures Commission and China Securities Regulatory Commission ("CSRC") on 10 November 2014, trading under Stock Connect commenced on 17 November 2014.

Stock Connect comprises a Northbound Trading Link (for investment in China A-Shares) by which investors, through their Hong Kong brokers and a securities trading service company to be established by the SEHK, may be able to place orders to trade eligible shares listed and traded on the SSE or the SZSE, respectively by routing orders to the SSE or the SZSE, respectively.

Under Stock Connect, overseas investors (including the Sub-Funds) may be allowed, subject to rules and regulations issued/amended from time to time, to trade certain eligible securities (including China A-Shares) listed and traded on the SSE or the SZSE, respectively (together referred to as the "Chinese Securities") through the Northbound Trading Link.

The Chinese Securities listed on the SSE which are available via Shanghai – Hong Kong Stock Connect include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except (i) those SSE-listed shares which are not traded in Renminbi (RMB) and (ii) those SSE-listed shares which are included in the "risk alert board". The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

The Chinese Securities listed on the SZSE which are available via Shenzhen – Hong Kong Stock Connect include any constituent stock of the SZSE Component Index and the SZSE

Small/Mid Cap Innovation Index which has a market capitalization of at least RMB 6 billion, and all the SZSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except (i) those SZSE-listed shares which are not traded in Renminbi (RMB) and (ii) those SZSE-listed shares which are included in the "risk alert board". The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Further information about Stock Connect is available online at the website:
http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

Home Market Rules

A fundamental principle of trading securities through Stock Connect is that the laws, rules and regulations of the home market of the applicable securities shall apply to investors in such securities. In respect of Chinese Securities, Mainland China is the home market and thus the relevant Sub-Funds should observe Mainland China laws, rules and regulations. If such laws, rules or regulations are breached, the relevant stock exchange (SSE or SZSE, respectively) has the power to carry out an investigation, and may require SEHK exchange participants to provide information about the relevant Sub-Funds and assist in investigations.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to the trading of Chinese Securities.

Liquidity and Volatility Risk

The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, China A-Shares. The price at which securities may be purchased or sold by the relevant Sub-Funds and the Net Asset Value of such Sub-Funds may be adversely affected if trading markets for China A-Shares are limited or absent. The China A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the relevant Funds.

Quota limitations risk

There is a daily quota that limits the maximum value of all buy trades that can be executed on each trading day ("Daily Quota"). The Daily Quota may change from time to time without prior notice. The SEHK, the SSE and the SZSE, respectively may also set pricing and other restrictions on buy orders in order to prevent the artificial use or filling of the Daily Quota. Such quota and other limitations may restrict Sub-Fund's ability to invest in Chinese Securities on a timely basis, and such Sub-Fund may not be able to effectively pursue its investment policies.

The relevant Sub-Fund may sell its Chinese Securities regardless of whether there has been a breach of the Daily Quota.

Suspension risk

SEHK, SSE and the SZSE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which would adversely affect the a Sub-Fund's ability to access the PRC market.

Differences in trading day
Stock Connect operates on days when both the Mainland China and Hong Kong markets are open for trading and when banks in the relevant markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but Hong Kong investors (such as Sub-Funds) cannot carry out any trading via Stock Connect. The Sub-Funds may be subject to a risk of price fluctuations in Chinese Securities during the time when the Stock Connect is not trading as a result.

No Day Trading
Day (turnaround) trading is not permitted on the Mainland China A-Share markets. If the Sub-Fund buys Chinese Securities on T day, it can only sell the Chinese Securities on or after settlement has been completed (normally on T+1 day).

No Off-exchange Trading and Transfers
With certain limited exceptions, Chinese Securities may not be traded or transferred otherwise than through Stock Connect.

No Manual Trade or Block Trade
There will be no manual trade facility or block trade facility for trading under Stock Connect.

Placing Orders
Only limit orders with a specified price are allowed pursuant to the Stock Connect rules, where buy orders may be executed at or lower than the current best price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

Price Limits
Chinese Securities are subject to a general price limit of a ±10% based on the previous trading day's closing price. In addition, Chinese Securities which are on the risk alert board are subject to a ±5% price limit based on the previous trading day's closing price. The price limit may be changed from time to time. All orders in respect of Chinese Securities must be within the price limit.

Delisting of SSE and SZSE-listed Companies
According to the SSE and SZSE rules, if any listed company is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of it being delisted or exposing investors' interests to undue damage, the listed company will be earmarked and moved to the risk alert board. Any change to the risk alert board may occur without prior notice. If a Chinese Security which is originally eligible for Stock Connect trading is subsequently moved to the risk alert board, the Sub-Fund will be allowed only to sell the relevant Chinese Security and will be prohibited from further buying.

Special Chinese Securities
SEHK will accept or designate securities which cease to meet the eligibility criteria for Chinese Securities as Special Chinese Securities (provided that they remain listed on SSE or SZSE, respectively). In addition, any securities or options (which are not eligible for Stock Connect

trading) received by a Sub-Fund as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or abnormal trading activities will be accepted or designated by SEHK as Special Chinese Securities. The relevant Sub-Fund will only be able to sell, but not buy, any Special Chinese Securities.

Restrictions on selling imposed by front-end monitoring
PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE and SZSE, respectively will reject the sell order concerned. SEHK will carry out pre-trade checking on Chinese Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. Accordingly, a broker through whom a Sub-Fund places a sell order may reject a sell order if the said Sub-Fund does not have sufficient available Chinese Securities in its account by the applicable cut off time specified by that broker or if there has been a delay or failure in the transfer of the relevant Chinese Securities to any clearing account of the broker.

Risk of ChinaClear Default
HKSCC and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC has stated that it may (but shall have no obligation to) take any legal action or court proceedings to seek recovery of the outstanding Chinese Securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation (if applicable). As ChinaClear does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of ChinaClear's positions. HKSCC will in turn distribute the Chinese Securities and/or monies recovered to clearing participants on a pro-rata basis. The relevant broker through which a Sub-Fund trades shall in turn distribute Chinese Securities and/or monies to the extent recovered directly or indirectly from HKSCC.

Although the likelihood of a default by ChinaClear is considered to be remote, if such event occurs, the relevant Sub-Fund(s) may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The China A-Shares traded through Stock Connect are issued in scripless form, so investors such as the Sub-Funds will not hold any physical China A-Shares. Hong Kong and overseas investors, such as the Sub-Funds, who have acquired Chinese Securities through Northbound trading should maintain the Chinese Securities with their brokers' or depositaries' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Fund.

Risk of HKSCC Default

Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement of Chinese Securities and/or monies in connection with them and a Sub-Fund's ability to access the Mainland China market will be adversely affected and the relevant Sub-Fund may suffer losses as a result.

Operational risk

Stock Connect provides a new channel for investors from Hong Kong and overseas, such as Sub-Funds, to access the China stock market directly.

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect programs requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. A Sub-Fund's ability to access the China A-Share market (and hence to pursue their investment strategy) will be adversely affected.

Nominee arrangements in holding China A-Shares

The Chinese Securities purchased by a Sub-Fund will be held by the relevant sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the HKSCC. HKSCC in turn holds the Chinese Securities as the "nominee holder", through a securities account in its name registered with ChinaClear.

It would appear that the relevant Sub-Fund would have beneficial ownership of Chinese Securities under Mainland China laws.

However, it should be noted that the exact nature and methods of enforcement of the rights and interests of the relevant Sub-Fund under Mainland China law is not certain and there have been few cases involving a nominee account structure in the Mainland China courts.

It should also be noted that as with other clearing systems or central securities depositaries, the HKSCC is not obliged to enforce the rights of the relevant Sub-Funds in the Mainland China courts. If a Sub-Fund wishes to enforce its beneficial ownership rights in the Mainland Courts, it will need to consider the legal and procedural issues at the relevant time.

Segregation
The securities account opened with ChinaClear in the name of HKSCC is an omnibus account, in which the Chinese securities for more than one beneficial owner are commingled. Chinese Securities will be segregated only in the accounts opened with HKSCC by clearing participants, and in the accounts opened with the relevant sub-custodians by their clients (including the Sub-Fund).

Investor compensation
Investments of the relevant Sub-Funds through Northbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in Northbound trading via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

On the other hand, since the relevant Sub-Funds are carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund in the PRC.

Trading costs
In addition to paying trading fees and stamp duties in connection with China A-Share trading, the relevant Sub-Funds may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Regulatory risk
The Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognize such rules, e.g. in liquidation proceedings of PRC companies.

Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that Stock Connect will not be abolished. The relevant Sub-Funds which may invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

Taxation

On 14 November 2014, the Ministry of Finance, State of Administration of Taxation and CSRC jointly issued a notice in relation to the taxation rule on Shanghai – Hong Kong Stock Connect under Caishui 2014 No.81 ("Notice No.81"). Under Notice No.81, CIT, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Funds) on the trading of China A-Shares through Shanghai – Hong Kong Stock Connect with effect from 17 November 2014. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies.

However, the exemption may be amended, discontinued or revoked in the future. In such case, prospective retrospective tax liability may arise. There is also a risk that the Mainland China tax authorities may seek to collect tax on a retrospective basis, without giving any prior warning. If such tax were to be collected, the tax liability would be payable by each relevant Sub-Fund. However, this liability may be mitigated under the terms of an applicable tax treaty.

BOARD OF DIRECTORS

The Directors are responsible for the overall management and control of the Fund.

They will review the operations of the Fund and the Management Company.

MANAGEMENT COMPANY

Pursuant to a Management Company Agreement, East Capital Asset Management S.A. (the "Management Company") has been appointed to act as management company of the Fund. The Management Company will be responsible on a day-to-day basis under the supervision of the Directors of the Fund, for providing administration, marketing and investment management services in respect of all the Sub-Funds with the possibility to delegate part or all of such functions to third parties.

The Management Company has delegated the central administration and registrar and transfer agent functions to the Central Administration Agent, Registrar and Transfer Agent.

The Management Company has delegated the portfolio management function with respect to all Sub-Funds to Espiria Asset Management, a division of East Capital Financial Services AB.

The Management Company and the Investment Manager believe that long-term returns benefit from considering relevant and material risks and opportunities related to ESG factors (Environmental, Social and Governance factors) in the investment process. As a long-term investor, active ownership is also an important component of our investment process.

The Management Company and the Investment Manager apply exclusionary screening which implies that it will not invest in companies which generate a significant part of their revenue from sources which do not match our ESG criteria; and conducts norm-based screening on all portfolios, which identifies portfolio holdings which are alleged to conduct business in a manner contrary to well-established and generally agreed international norms on ESG issues.

The Management Company is a signatory to the Principles for Responsible Investment (PRI) since 2012. The PRI are a set of guidelines for responsible investment which were originally developed in collaboration with the United Nations and which unites investors who have decided to consider ESG factors in their investment process.

For further information on sustainability-related disclosures, please refer to "Sustainability Related Disclosure".

The Management Company directly assumes the marketing and distribution function.

The Management Company was incorporated in the form of a *société anonyme* under the laws of the Grand Duchy of Luxembourg on 29 January 2008 for an unlimited duration under the name of East Capital Advisory S.A. As of 15 March 2013, the Management Company changed its name into East Capital Asset Management S.A. and is approved by the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier* (CSSF), as a UCITS management company subject to the chapter 15 of the 2010 Law and as alternative investment fund manager within the meaning of article 1(46) of the law of 12 July 2013 on alternative investment fund managers. The Management Company has also opened a branch in Stockholm, Sweden. The share capital of the Management Company is held by East Capital Holding AB. The Management Company has a subscribed and paid-up capital of EUR 1,000,000 (as at the date of this Prospectus).

The Management Company shall ensure compliance of the Fund with the investment restrictions and oversee the implementation of the Fund's strategies and investment policy. The Management Company will be responsible for ensuring that adequate risk measurement processes are in place to ensure a sufficient control environment in accordance with Luxembourg laws and regulations.

The Management Company will monitor, on a continued basis, the activities of third parties to which it has delegated functions and will receive periodic reports from the delegates and service providers to enable it to perform its monitoring and supervision duties in accordance with Luxembourg laws and regulations.

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that:

- are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Fund or its Sub-Funds or with its Articles;

- are in line with the business strategy, objective values and interests of the Management Company and which do not interfere with the obligation of the Management Company to act in the best interests of the Fund;

- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks; and

- appropriately balance fixed and variable components of total remuneration.

The remuneration policy which is established on the level of East Capital Asset Management S.A. is under the control of the board of directors of the Management Company who shall on a regular basis review (at least annually) the policy and is responsible for overseeing and implementing any necessary revisions required to the policy. The Compliance Officer controls on a regular basis whether remunerations paid by the Management Company comply with the remuneration policy and the results of such review shall be reported to the board of directors of the Management Company.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available at http://www.eastcapital.com/Corporate/Regulatory-information/Legal-information. A paper copy is available free of charge upon request at the Management Company's registered office.

INVESTMENT MANAGER

The Management Company has appointed Espiria Asset Management, a division of East Capital Financial Services AB, as investment manager of the Fund.

The Investment Manager, with company registration No. 556988-2086, is a Swedish investment firm duly organized and authorised under the laws of the Kingdom of Sweden and under the supervision of Finansinspektionen (the Swedish Financial Supervisory Authority) and is part of the East Capital group.

The Investment Manager was appointed pursuant to an Investment Management Agreement with the Management Company (the "Investment Management Agreement") to provide day-to-day management of the Fund's investments, subject to the overall supervision and responsibility of the Management Company. The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each Sub-Fund are invested in a manner consistent with the Fund's and the Sub-Funds' investment restrictions and that cash belonging to the Fund and each Sub-Fund is invested in accordance with the guidelines laid down by the Directors and the Management Company.

According to the Investment Management Agreement, the Investment Manager may, with the prior approval of the Management Company, delegate to a third party all or a part of its management duties. Any new delegation shall be reflected in an updated Prospectus.

DEPOSITARY

Pursuant to a depositary and paying agent services agreement dated 21 September 2016 (the "**Depositary Agreement**"), Skandinaviska Enskilda Banken AB Luxembourg Branch, registered with the Luxembourg trade and companies register under n° B39819 and having its place of business at 4 rue Peternelchen, L-2370 Howald, Grand-Duchy of Luxembourg, has been appointed as depositary of the Fund (the "**Depositary**"). The Depositary will also provide paying agent services to the Fund.

The Depositary is a branch of Skandinaviska Enskilda Banken AB (publ), a credit instritution incorporated under and pursuant to the laws of Sweden, subject to the prudential supervision of the Swedish Financial Supervisory Authority, Finansinspektionen. The Depositary is further supervised by the *Commission de Surveillance du Secteur Financier*, in its role as host member state authority.
The Depositary has been appointed for the safe-keeping of the assets of the Fund which comprises the custody of financial instruments, the record keeping and verification of ownership of other assets of the Fund as well as the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the 2010 Law and the Depositary Agreement.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles of Incorporation; (ii) the value of the Shares is calculated in accordance with Luxembourg law and the Articles of Incorporation; (iii) the instructions of the Management Company are carried out, unless they conflict with applicable Luxembourg law and/or the Articles of Incorporation; (iv) in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and (v) the Fund's incomes are applied in accordance with Luxembourg law and the Articles of Incorporation.

In carrying out its functions the Depositary acts honestly, fairly, professionaly and independently and solely in the interest of the investors of the Fund. The Depositary is on an ongoing basis analyzing, based on applicable laws and regulations potential conflicts of interests that may arise while carrying out its functions.

When performing its activities, the Depositary obtains information relating to funds which could theoretically be misused (and thus raise potential conflict of interests issues) in relation to e.g. the interests of other clients of the SEB Group, whether engaging in trading in the same securities or seeking other services, particulary in the area of offering services competing with the interests of other counterparties used by the funds/fund managers, and the interests of the Depositary's employees in personal account dealings. Potential conflicts of interests in the SEB Group can be further exemplified as not market equivalent pricing of the depositories' services and the undue influence in the management and board of directors of the funds/fund managers by the Depositary, and vice versa.

Consequently, to mitigate the potential conflicts of interest, it has been ensured that the activities of a depositary function are physically, hierarchically and systematically separated from other functions of the Depositary in order to establish information firewalls. Moreover, the depositary function has a mandate and a veto to approve or decline fund clients independent of other functions and has its own committees for escalation of matters connected to its role as a depositary, where other functions with potentially conflicting interests are not represented.

For further details on management, monitoring and disclosure of potential conflicts of interest please refer to Instruction for Handling of Conflicts of Interest in Skandinaviska Enskilda Banken AB Luxembourg Branch which can be found on the following webpage: https://sebgroup.lu/conflictofinterest.

In compliance with the provisions of the Depositary Agreement and the 2010 Law, as amended from time to time, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund to one or more delegate(s), as they are appointed by the Depositary from time to time.

In order to avoid any potential conflicts of interest, irrespective of whether a given delegate is part of the SEB Group or not, the Depositary 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 delegate. Furthermore, the conditions of any appointment of a delegate that is member of the SEB Group will be negotiated at arm's length in order to ensure the interests of the investors. Should a conflict of interest occur and in case such conflict of interest cannot be neutralized, such conflict of interest as well as the decisions taken will be disclosed to the investors and the Prospectus revised accordingly. An up-to-date list of these delegates can be found on the following webpage: https://sebgroup.lu/globalcustodynetwork.

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the 2010 Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements.

In order to ensure that its tasks are only delegated to delegates providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the 2010 Law in the selection and the appointment of any delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any delegate to which it has delegated parts of its tasks as well as of any arrangements of the delegate in respect of the matters delegated to it. In particular, any delegation is only possible when the delegate at all times during the performance of the tasks delegated to it segregates the assets of the Fund from the Depositary's own assets and from assets belonging to the delegate in accordance with the 2010 Law. The Depositary's liability shall not be affected by any such delegation unless otherwise stipulated in the 2010 Law and/or the Depositary Agreement.

An up-to-date information regarding the Depositary, its duties and the conflicts of interest that may arise, any safekeeping functions delegated by the Depositary, the list of delegates and any conflicts of interests that may arise from such delegation, is available to the investors upon request at the registered office of the Management Company.

The Depositary is liable to the Fund or its investors for the loss of a financial instrument held in custody by the Depositary and/or a delegate. In case of loss of such financial instrument, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the 2010 Law, the Depositary will not be liable for the loss of a financial instrument, if such loss 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 be liable to the Fund and to the investors for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the 2010 Law and/or the Depositary Agreement.

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. In case of a voluntary withdrawal of the Depositary or of its removal by the Fund, the Depositary must be replaced at the latest within two (2) months after the expiry of the aforementioned termination notice by a successor depositary to whom the Fund assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Management Company/Fund does not name such successor depositary in time the Depositary may notify the CSSF of the situation. The Management Company/Fund will take the necessary steps, if any, to initiate the liquidation of the Fund, if no successor depositary bank has been appointed within two (2) months after the expiry of the aforementioned termination notice of ninety (90) days.

CENTRAL ADMINISTRATION AGENT, REGISTRAR AND TRANSFER AGENT

Under the terms of an Administrative, Registrar and Transfer Agent Agreement, UI efa S.A. has been appointed as central administration agent, registrar and transfer agent (the "**Central Administration Agent, Registrar and Transfer Agent**") which is responsible for calculating the Net Asset Value, processing the issue, redemption, transfer and cancellation of Shares, as well as for the keeping of the Shareholders' register. The registered address of the Central Administration Agent, Registrar and Transfer Agent is at 2, Rue d'Alsace, L - 1122 Luxembourg, Grand Duchy of Luxembourg.

AUDITOR

KPMG Audit S.à r.l. has been appointed as Auditor of the Fund.

PLACEMENT AND DISTRIBUTION AGENTS

The Management Company assumes the marketing and distribution of the Fund. As part of the distribution network, the Management Company may appoint one or several Placement & Distribution Agents or other financial intermediaries to market, promote and distribute the Shares of the Fund in such countries where either the Fund has applied for public distribution or in those other countries where it may offer Shares on a private placement basis.

SHARE CLASSES

The Board of Directors may decide to issue within each Sub-Fund separate Classes of whose assets will be commonly invested but where a specific fee structure, Minimum Subscription Amount, Minimum Holding Amount, currency, currency hedging, dividend policy or other future may be applied.

The following Classes may be offered in the Sub-Funds:

- **Class A Shares** are available to all investors.
- **Class B Shares** are available to all investors.
- **Class C Shares** are reserved to Institutional Investors.
- **Class D Shares** are reserved to Institutional Investors.
- **Class E Shares** are available to all investors.
- **Class F Shares** will only be offered to, and can only be acquired by, Swedish insurance and pension companies which qualify as Institutional Investors and who cooperate with intermediary brokers which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.
- **Class P Shares** are reserved to Institutional Investors.
- **Class S Shares** are only available to Institutional Investors such as pension funds, sovereign wealth funds or official institutions which under relevant legal and/or regulatory requirements are prohibited from accepting and retaining inducements from third parties and who are approved by the Fund and/or by the Management Company.
- **Class SP Shares** are only available to Institutional Investors such as pension funds, sovereign wealth funds or official institutions which under relevant legal and/or regulatory requirements are prohibited from accepting and retaining inducements from third parties and who are approved by the Fund and/or by the Management Company.
- **Class X Shares** are designed to accommodate an alternative charging structure. No Management Fee will have to be charged to Class X Shares. All other fees and charges allocated to Class X Shares will be charged as further detailed in this Prospectus.
- **Class Z Shares** are reserved to Institutional Investors who are approved by the Fund and/or by the Management Company. Z Shares will only be available until the total Net Asset Value of all available Share Classes within the relevant Sub-Fund reaches or is greater than SEK 1,000,000,000 (or currency equivalent), or any other amount as specifically determined by the Management Company. Once the total Net Asset Value of the Share Classes available in the relevant Sub-Fund, ordinarily, reaches or is

greater than SEK 1,000,000,000 (or currency equivalent) or any other amount as specifically determined by the Fund and/or Management Company, the Z Share Class will be closed for subscriptions.

The Board of Directors may decide to create additional Classes based on the above-mentioned Class types and which may contain the additional denominations from "1" to "10". These Classes may only be available to one or more investors whose investment is covered by a suitable agreement and/or who are approved by the Fund and/or by the Management Company or may be subscribed only by distributors who are domiciled in certain countries or carry out their business in those countries and who act on behalf of their own clients (who may be any type of investor) provided that they fulfil the general eligibility criteria for the relevant Class.

The hedged Share (H1/H2) will have the same characteristics as the underlying Class.

Each Class may be offered in EUR, USD, GBP, SEK, NOK and in any other freely convertible currency as determined by the Board of Directors from time to time.

- **Hedged Classes**

The Board of Directors may decide to issue currency hedged Classes which aim to hedge the currency exposure of Classes denominated in currencies different to the reference currency of the relevant Sub-Fund in order to attempt to mitigate the effect of fluctuations in the exchange rate between the currency of such Class and the reference currency of the Sub-Fund. Where hedging of this kind is undertaken, such Class will be designated as such by a reference to "H1".

The Board of Directors may also decide to issue portfolio hedged Classes which aim to hedge the currency exposure of Shares of the Classes against the currency or currencies in which the underlying assets of the relevant Sub-Fund are denominated in order to reduce the currency exposure between the reference currency of such Class and the currency exposure of the underlying assets of the relevant Sub-Fund. Where hedging of this kind is undertaken, such Class will be designated as such by a reference to "H2".

The Management Company may implement the foreign exchange hedge for hedged Classes in accordance with applicable laws and regulations and regulatory guidance by using financial derivative instruments including futures, forward currency exchange contracts, options and other similar derivative transactions deemed appropriate in its discretion.

Any fees relating to the hedging strategy (including any fees of the Central Administration Agent, Registrar and Transfer Agent relating to the execution of the hedging policy) will be borne by the relevant hedged Class. Any gains or losses from the currency hedging shall accrue to the relevant hedged Class.

The full list of available Classes may be obtained from www.espiria.se.

Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the Management Company, however, over-hedged positions will not be permitted to exceed 105% of the net asset value of the hedged Classes and under-hedged positions will not, under normal circumstances, usually fall below 95% of the net asset value of the hedge Classes.

- **Minimum Subscription Amount and Minimum Holding Amount**

The Fund may impose a minimum subscription and minimum holding requirement for each Shareholder in the different Share Classes as set out in the table below. The Fund may also impose subsequent minimum subscription requirements.

Share Classes	**Minimum initial subscription and minimum holding amount***	**Subsequent minimum subscriptions***
A and B	N/A	N/A
C and D	N/A	N/A
E	N/A	N/A
F	N/A	N/A
P	5,000,000	5,000,000
S	200,000,000	200,000,000
SP	200,000,000	200,000,000
X	N/A	N/A
Z	N/A	N/A

* in SEK or its equivalent in the reference currency of the relevant Share Class

It may decide to waive at its discretion any minimum subscription, minimum holding and subsequent minimum subscription requirements.

The Board of Directors may refuse to give effect to any transfer of Shares in the register as a consequence of which an investor would not meet the minimum holding requirements.

If, as a result of a redemption request, the value of any holding decreases below the minimum set out above, then such request may be treated as a request for redemption of the entire holding.

SUBSCRIPTIONS

Investors may subscribe for Shares in each Sub-Fund for each Valuation Day at the relevant Subscription Price.

Under certain circumstances and unless otherwise provided in the Annex relating to a Sub-Fund, the Directors have the power to adjust the Net Asset Value per Share applicable to the Subscription Price as described hereafter under the sub-section "Swing Pricing". In any case, the adjustments to the Net Asset Value per Share applicable for any Valuation Day shall be identical for all issues dealt with as of such day.

For initial subscriptions, applicants should complete an application form (an "Application Form") and send it to the Registrar and Transfer Agent by mail or by facsimile. For subsequent subscriptions, applicants need only to complete a subscription form.

Application Forms for initial subscriptions of Shares may be sent by post or fax to the Registrar and Transfer Agent in Luxembourg on any Business Day by using the Application Form circulated with this Prospectus. In the case of faxed orders, these should be followed with the original Application Form by post.

Completed Application Forms or subscription forms must be received by the Registrar and Transfer Agent by no later than the time specified in the relevant Annex. If the Application Form is not received by these times, the application will be treated as received for the next Valuation Day.

Payment for the subscription must be received by the Fund no later than the period of time provided in the relevant Annex for a Sub-Fund. Cleared funds must be received on an account of the Fund in the reference currency of the relevant Class no later than the period of time specified in the relevant Annex.

The price per Share will be rounded upwards or downwards in accordance with standard rounding rules. Fractions of Shares will be issued up to four decimal places. Fractions of Shares do not confer any voting rights but give right to dividend (for Distribution Shares) and participation in the liquidation proceeds of the respective Sub-Fund.

The Fund reserves the right to cancel an application if subscription monies are not received on an account of the Fund in cleared funds and in the reference currency of the relevant Class within the period of time specified in the relevant Annex.

Allotment of Shares will be made not later than on the day on which the Net Asset Value per share is calculated, which means the Business Day after the relevant Valuation Day, following receipt of full payment for the Shares subscribed. Otherwise the allotment is postponed until full payment has been received. Payment should be made through bank transfer or similar, and shall be made in the currency of the Sub-Fund in question. If payment is made in other currency than the currency of the Sub-Fund, the Fund will carry out a currency exchange on market conditions at the shareholder's expense, which may have the consequence that the allotment of Shares is postponed.

In addition to the Subscription Price, the payment to the Fund must cover any transaction costs.

The Board of Directors may also determine that certain Sub-Funds shall be open for subscription only during the initial subscription period, after which no additional share issues will take place.

The Fund reserves the right to reject any subscription in whole or part at its absolute discretion, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the currency of subscription or at the discretion of the applicant, at the risk and cost of the applicant.

Once completed subscriptions have been received by the Registrar and Transfer Agent they are irrevocable.

The Directors reserve the right from time to time, without notice, to resolve to close the Fund or a particular Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine.

Institutional Investors

As detailed in the relevant Annexes, the sale of Shares of certain Classes may be restricted to Institutional Investors, and the Fund will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor.

The Fund may, at its discretion, delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor.

Ineligible Applicants

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

Shares may not be issued or transferred to any US Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

(a) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the States of the United States;

(b) such issue or transfer will not require the Fund to register under the 1940 Act;

(c) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of ERISA (US Employee Retirement Income Securities Act of 1974 as amended); and

(d) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders.

Each applicant for and transferee of Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue, or the registration of any transfer, of Shares.

The issue, sale and transfer of Shares to the following individuals or legal entities (the "Prohibited Investors" are prohibited:

1. Specified US Person;
2. Non-Participating Foreign Financial Institutions; or
3. Passive NFFEs with one or more substantial US Owners or US Controlling Persons

as such terms are defined under the provisions commonly known as the Foreign Account Tax Compliance Act enacted by the United States of America ("FATCA").

The above restriction does not apply when the Shares are sold through a distributor that is acting as nominee provided such distributor qualifies as:

1. a Reporting Foreign Financial Institution under an agreement between the United States of America and a foreign government or one or more agencies thereof to implement FATCA through reporting by financial institutions to such foreign government or agency thereof followed by automatic exchange of the reported information to the US Internal Revenue Service ("IGA Model 1");
2. a Non-Reporting Foreign Financial Institution under an IGA Model 1;
3. a Participating Foreign Financial Institution;
4. a Registered Deemed Compliant Foreign Financial Institution;
5. a Non-Registering Local Bank; or
6. a Restricted Distributor

as such terms are defined under FATCA or an IGA Model 1.

In application of Annex II section IV E 5 of the IGA Model 1 entered into between the United States of America and the Grand Duchy of Luxembourg, each distributor as referred to in the paragraph above is required to notify the Fund of a change in its FATCA Chapter 4 status within 90 day of the change. In case such a distributor ceases to qualify as a nominee compliant with FATCA under the Restricted Fund rules as defined under FATCA, the Fund or the Management Company shall terminate the distribution agreement with such a distributor within 90 days of notification of the nominee's change in its FATCA Chapter 4 status and the Shares issued to the nominee will be compulsory redeemed as per sub-section "Compulsory Redemptions" or transferred to another FATCA compliant nominee within six months of the nominee's change of FATCA Chapter 4 status.

The Fund may restrict or prevent the ownership of Shares of the Fund specifically but without limitation, by any Shareholder who would beneficially own more than 10% of the Shares of the Fund ("a 10% owner") and for such purposes the Fund may:

- decline to issue any Share and decline to register any transfer of a Share where it appears that such registration or transfer would or might result in beneficial ownership of such Share by a US Person or a 10% owner;

- at any time require any person whose name is entered in the Register of Shareholders to furnish it with any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such shareholder's Shares rests or will rest with a US Person or a 10% owner; and

- where it appears to the Fund that any US Person or any Prohibited Investor either alone or in conjunction with any other person is a beneficial owner of Shares, compulsory purchase such Shares from any such Shareholder.

If it appears that a Shareholder is a Prohibited Person, the Directors shall, within six month of the date the Directors discovers such a fact, either (i) direct such Shareholder to redeem or transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) compulsorily redeem all Shares held by the Prohibited Person at a price based on the latest calculated Net Asset Value, less a penalty fee equal to, in the absolute discretion of the Directors, either (i) 20% of the Net Asset Value of the relevant Shares or (ii) the costs incurred by the Fund as a result of the holding of Shares by the Prohibited Person (including all costs linked to the compulsory redemption).

Subject as mentioned above, Shares are freely transferable. The Directors may, however, refuse to register a transfer which would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares in a Sub-Fund valued at less than the minimum holding requirement.

The Fund will require from each registered Shareholder acting on behalf of other investors that any assignment of rights to Shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the minimum holding requirement.

Form of Shares

All the Shares will be issued in registered form. Shareholders will receive a confirmation of their shareholding.

Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES". No Shares will be issued in the relevant Sub-Fund during any such period of suspension.

Anti-Money Laundering and Fight against Financing of Terrorism

The Fund has delegated to the Management Company the administration in respect of all the Sub-Funds. Pursuant to such delegation, the Management Company or its delegates will monitor the anti-money laundering procedures that have been put in place. Pursuant to international rules and Luxembourg laws and regulations, comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circulars 13/556, 15/609 and 17/650 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 to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the Registrar and Transfer Agent of a Luxembourg UCI must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable for redemption) will not be accepted. Neither the Fund nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant providing no or any incomplete documentation. Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

REDEMPTIONS

Shares are redeemable at the option of the Shareholders. Shareholders should send a completed redemption request to the Registrar and Transfer Agent by mail or by facsimile. All redemption requests are to be received by the Registrar and Transfer Agent no later than the time specified in the relevant Annex Day failing which the redemption request will be treated as received for the next following Valuation Day and Shares will be redeemed based on the Redemption Price applicable for that Valuation Day.

A Redemption Charge may be applied as disclosed in the relevant Annex. Under certain circumstances and unless otherwise provided in the Annex relating to a Sub-Fund, the Directors have the power to adjust the Net Asset Value per Share applicable to the Redemption Price as described hereafter under "Swing Pricing". In any case, the adjustments to the Net Asset Value per Share applicable for any Valuation Day shall be identical for all redemptions dealt with as of such day.

A redemption request, once given, is irrevocable, except in case of suspension of the determination of the Net Asset Value as described under "General and Statutory Information". Shares redeemed by the Fund are cancelled.

Payment of redemption proceeds will be made no later than the period of time provided in the relevant Annex for a Sub-Fund. Payment will be made in the reference currency of the relevant Class by transfer to the bank account specified by the redeeming Shareholder to the Registrar and Transfer Agent.

Redemption Gates / Redemption Deferrals

If redemption requests for more than 10% of the Net Asset Value of a Sub-Fund are received, then the Management Company shall have the right to limit redemptions so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Shareholders seeking to redeem Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES". No Shares will be redeemed in the relevant Sub-Fund during any such period of suspension.

Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions". The Fund also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Sub-Fund if the Net Asset Value of the Shares held in such Sub-Fund by the Shareholder is less than the applicable minimum holding requirement.

Shareholders are required to notify the Registrar and Transfer Agent immediately if at any time they become US Persons or hold Shares for the account or benefit of US Persons.

When the Directors become aware that a Shareholder (A) is a US Person or is holding Shares for the account or benefit of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 99 or such other number as the Directors may determine from time to time; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders including, but not limited to, a situation in which more than 25% of the Shares are owned by benefit plan investors; or (C) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors will either

(i) direct such Shareholders to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares.

If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Fund will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant shareholder of such conversion.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depositary, the Central Administration Agent, Registrar and Transfer Agent, the Investment Manager and the Shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

CONVERSIONS

Subject to any prohibition of conversions contained in an Annex and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares. All conversion requests are to be received by the Registrar and Transfer Agent no later than (i) 15.00 CET on the relevant Valuation Day (which is a Business Day) and (ii) 11.00 CET on the relevant Valuation Day in case of a Half Business Day, unless otherwise specified in the relevant Annex, failing which the conversion request will be treated as received for the next Valuation Day and Shares will be converted based on the Conversion Price applicable for that Valuation Day. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum holding amount, the Directors may decide not to accept the request for conversion of the Shares and the Shareholder would be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Directors so decide) to have requested the conversion of all of his Shares.

The number of Shares issued upon conversion will be based upon the respective Net Asset Values of the two Classes concerned on the common Valuation Day for which the conversion request is accepted.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the Net Asset Value calculated for the next following Valuation Day of each of the two Classes concerned.

A conversion fee of up to 1% of the Net Asset Value per Share, to be shared equally between the two Sub-Funds involved, may be charged unless otherwise provided in the Annex relating to a Sub-Fund or as may be waived by the Directors from time to time. Under certain circumstances and unless otherwise provided in the Annex relating to a Sub-Fund, the Directors have the power to adjust the Net Asset Value per Share applicable to the conversion amount as described hereafter under the sub-section "Swing Pricing". In any case, the adjustments to the Net Asset Value per Share applicable on any Valuation Day shall be identical for all conversions dealt with as of such day.

Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES ". No Shares will be converted in the relevant Sub-Funds during any such period of suspension.

PRICING ADJUSTMENT

A Sub-Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Fund. This is known as "dilution". In order to counter this and to protect Shareholders' interests, the Managemet Company may apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Fund may make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

Swing Pricing

Swing pricing aims to protect existing Shareholders from the performance dilution effects they may suffer as a result of transactions by other investors in a Sub-Fund. If on any valuation day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease of Shares which exceeds a threshold set by the Swing Pricing Governance Committee (the "**Committee**") from time to time for that Sub-Fund (relating to the cost of market dealing for that Sub-Fund), the Net Asset Value of the Sub-Fund will be adjusted by an amount (not exceeding 2% of that Net Asset Value) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease.

The Management Company has implemented a policy covering the swing pricing mechanism as well as specific operational procedures governing the day-to-day application of the swing pricing mechanism. The applicable swing factor will be determined by the Committee on the basis of the above-described components. The Committee typically meets on a quarterly basis to ensure the appropriate level of protection. In exceptional market conditions, the Committee will meet and review more frequently.

The Sub-Funds apply partial swing pricing meaning that the Net Asset Value is swung only when the predetermined net capital activity threshold is exceeded. It is implemented systematically by the Administration Agent. The swing threshold is set by the Committee at a level to ensure that investor flows that represent a significant amount of dilution in the Sub-Fund are captured. Small net-inflows or out-flows may not require any trading activity and would not justify swinging the Net Asset Value. The swing threshold is a pre-determined level currently set as a percentage of the Sub-Funds' Net Asset Value.

If net-inflows into a Sub-Fund exceed this threshold level, the Net Asset Value per share will be swung upwards by a predetermined amount (the swing factor). The price swing means that subscribing investors contribute to the cost of their transactions by paying more to enter a Sub-Fund. If the net-outflows from a Sub-Fund exceed the swing threshold, the Net Asset Value per Share will be swung downwards by the swing factor and exiting Shareholders will take a reduced amount out of the Sub-Fund.

Swing pricing is applied on the capital activity at the level of a Sub-Fund and does not address the specific circumstances of each individual investor transaction. The decision to swing is based on the overall net-flows into a Sub-Fund, not per Class of Shares. The swing pricing adjustments aim to protect the overall performance of Sub-Funds, to the benefit of existing investors.

Unless otherwise specified, swing pricing is applied for all the Sub-Funds in the Fund.

SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES

The Board of Directors may suspend the determination of the Net Asset Value and hence the issue, redemption and conversion of Shares if, at any time, the Board of Directors believes that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise:

(a) during any period when any of the principal markets or exchanges on which a substantial portion of the investments of the relevant Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;

(b) during the existence of any state of affairs which constitutes an emergency as a result of which the disposal or valuation of assets owned by the relevant Sub-Fund would be impracticable, not accurate or would seriously prejudice the interests of the Shareholders of the Fund;

(c) during any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Sub-Fund or the current prices on any market or stock exchange;

(d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on the redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange;

(e) in the event of the publication (i) of the convening notice to a general meeting of Shareholders at which a resolution to wind up the Fund or a Sub-Fund is to be proposed, or of the decision of the Directors to wind up one or more Sub-Funds, or (ii) to the extent that such a suspension is justified for the protection of the Shareholders, of the notice of the general meeting of Shareholders at which the merger of the Fund or a Sub-Fund is to be proposed, or of the decision of the Directors to merge one or more Sub-Funds;

(f) where in the opinion of the Directors, circumstances which are beyond the control of the Directors make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares or in any other circumstance or circumstances where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment to which the Fund or its Shareholders might not otherwise have suffered; or

(g) during any period when the determination of the Net Asset Value per Share of investment funds representing a material part of the assets of the relevant class is suspended.

Furthermore, and in accordance with the provisions on mergers of the Law, the Fund may temporarily suspend the subscription, the redemption or the conversion of Shares in case of a merger of a class, provided that such suspension is justified for the protection of the Shareholders.

No Shares will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Registrar and Transfer Agent before the suspension is terminated. Unless withdrawn, subscriptions for Shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Subscription Price, Redemption Price or Conversion Price (as the case may be) then prevailing.

Any suspension of the determination of the Net Asset Value will be notified to the CSSF and, if the Shares are distributed in other member states of the European Union, to the competent authorities of those member states. Any suspension shall also be notified to all persons requesting subscription, redemption or conversion of Shares during the period of suspension.

MARKET TIMING AND FREQUENT TRADING POLICY

The Fund does not knowingly allow dealing activity which is associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, conversions between or redemptions from the various Classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, conversions between or redemptions from the various Classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Sub-Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Sub-Fund's other Shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to implement either one, or both, of the following measures:

- The Management Company 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 Directors reserve the right to cause the Management Company to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers or frequent traders.

- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, the Directors may, during periods of market volatility, and by derogation from the provisions below, under "Net Asset Value", cause the Management Company to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

NET ASSET VALUE

The Net Asset Value per Share of each Class will be determined and made available in its reference currency by the Central Administration Agent, Registrar and Transfer Agent as at such time as the Directors shall determine as of each Valuation Day, as further described in the relevant Annex.

The Net Asset Value per Share as of any Valuation Day will be calculated to two decimal places in the reference currency of the relevant Class by dividing the Net Asset Value of the Class by the number of Shares in issue in such Class as of that Valuation Day.

The Net Asset Value of each Class will be determined by deducting from the total value of the assets attributable to the relevant Class, all accrued debts and liabilities attributable to that Class.

To the extent feasible, expenses, fees and income will be accrued as of each Valuation Day.

Assets and liabilities of the Fund will be valued in accordance with the following principles:

(a) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security shall be valued on the basis of the probable sales price which the Directors deem it is prudent to assume;

(b) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security will be valued by the Directors on the basis of the probable sales price which the Directors deem it is prudent to assume;

(c) Swaps are valued at their fair value based on the underlying securities (at close of business or intraday) as well as on the characteristics of the underlying commitments;

(d) The liquidating value of futures, forward and options contracts (or any other derivative instruments) not traded on Regulated Markets or stock exchanges shall mean their net liquidating value determined, pursuant to the policies established in good faith by the Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts (or any other derivative instruments) traded on Regulated Markets or stock exchanges shall be based upon the last available settlement prices of these contracts on Regulated Markets or stock exchanges on which the particular futures, forward or options contracts (or any other derivative instruments) are traded by the Fund; provided that if a futures, forward or options contract (or any other derivative instruments) could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable;

(e) Shares or units in underlying open-ended investment funds shall be valued at their last available price;

(f) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;

(g) 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, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of determination of the Net Asset Value.

The Management Company has delegated to the Central Administration Agent, Registrar and Transfer Agent the determination of the Net Asset Value and the Net Asset Value per Share.

The assets and liabilities of the Fund shall be allocated in such manner as to ensure that the proceeds received upon the issue of Shares of a specific Sub-Fund shall be attributed to that Sub-Fund. All of the assets and liabilities of a specific Sub-Fund as well as the income and expenses which are related thereto shall be attributed to that Sub-Fund. Assets or liabilities which cannot be attributed to any particular Sub-Fund shall be allocated to all the Sub-Funds pro-rata to the respective Net Asset Value of the Sub-Funds. The proportion of the total net assets attributable to each Sub-Fund shall be reduced as applicable by the amount of any distribution to Shareholders and by any expenses paid.

The rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of the Shareholders in relation to that Sub-Fund and the rights of the creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund. For the purpose of the relations between Shareholders, each Sub-Fund is deemed to be a separate entity.

FEES AND EXPENSES

The Management Company will receive management company fees for the provision of its services as specified in the Fee Schedule. The Management Company will be reimbursed for reasonable out-of-pocket expenses relating to the services thereto provided that such expenses are properly evidenced, actually incurred, reasonable and proportionate, and do not result in duplication of costs (including costs already covered by the management company fee) or constitute ordinary overheads/operating expenses of the Management Company. In addition, the Fund will pay to the Management Company and the external provider of services related to risk management a fee for the provision of their risk related services, subject to the same principles of reasonableness, proportionality and non-duplication. The Management Company has established, applies and periodically reviews a structured pricing process and controls designed to prevent undue costs being charged to the Fund and its investors.

The Investment Manager is remunerated by the Management Company out of the management fee that it receives from the Fund. In addition, the Management Company may rebate all or part of the management fees to recognised financial intermediaries active in the placement of Shares; such rebates being paid out of the Management Company's fee and not representing an additional charge to the Fund.

In addition to the investment management fee, a performance fee may be payable to the Investment Manager. Details of such performance fee, if applicable, are set out in the Fee Schedule and shall be calculated and disclosed in accordance with applicable regulatory requirements.

The fees and expenses to be paid to the Depositary, the Central Administration Agent, Registrar and Transfer Agent are calculated on the basis set out in the Fee Schedule. The Depositary, the Central Administration Agent, Registrar and Transfer Agent will be reimbursed for reasonable out-of-pocket expenses relating to the services thereto provided that such expenses are properly evidenced, actually incurred, reasonable and proportionate, and do not result in duplication of costs.

Cost and fund expenses directly paid by the Fund or by the different Sub-Funds or Classes (as a case may be) include, but are not limited to, and provided that they are necessary for the proper operation of the Fund/Sub-Fund or to comply with applicable laws and regulations, are in the best interests of investors, are reasonable and proportionate, are properly documented, and do not result in hidden costs or duplication:

– all taxes payable on assets, income and expenses related to the Fund;

– usual bank fees arising from the business transactions of the Fund;

– bbrokerage commissions and other costs and expenses directly related to the acquisition, holding or disposal of investments, including (as applicable) research fees, exchange fees, clearing and settlement charges, registration fees relating to portfolio transactions and bank transaction fees and bank charges in respect of instruments representing investments ,;

– borrowing costs (if any), including interest, arrangement/commitment fees and related financing charges;

– sustainability/ESG data, ratings and analytics fees, and index/benchmark licensing fees, to the extent directly related to the investment strategy and/or regulatory reporting of the relevant Sub-Fund;

– costs of foreign exchange conversions, hedging transactions and derivative transactions, including, as applicable, margin, clearing and similar transaction-related costs;

– where the Fund/Sub-Fund uses securities lending or other securities financing transactions (“**SFTs**”) or total return swaps, the related costs/fees and any revenue-sharing arrangements, as described in the section “Techniques and Instruments” of this Prospectus dealing with efficient portfolio management/SFTs, Operational costs/fees shall not include hidden revenues; only effective costs/fees corresponding to services rendered to the Fund/Sub-Fund in the context of such transactions may be charged

– all fees payable to the Paying Agent(s);

– the *taxe d'abonnement* as described in section "TAXATION" hereafter;

– the fees of directors, auditors and legal advisors, the costs of preparing, printing and distributing all prospectuses, memoranda, reports and other necessary documents concerning the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency and stock exchange, the costs of publishing prices and the operational expenses, and the cost of holding shareholders' meetings;

– any extraordinary expenses or other unforeseen or non-routine costs incurred, for example any verification procedures, litigation or other legal proceedings undertaken to protect the Fund or Shareholders' interests, and upon instruction by the Directors, provided that such expenses do not include fines, penalties or sanctions, nor costs arising from any breach of law or regulation, fraud, wilful default or negligence by the Management Company or any delegate/service provider (or any failure by them to perform their duties) where such costs cannot validly be borne by the Fund; and

– any additional out-of-pocket expenses properly documented, reasonable and directly related to the operation of the Fund/Sub-Fund and not otherwise covered above.

Fines, penalties and costs arising from fraud, wilful misconduct, bad faith, negligence or a material breach of applicable law/regulation by the Management Company, its delegates or service providers shall not be borne by the Fund/Sub-Fund, except to the extent expressly permitted by applicable law and, where required, disclosed.

If any cost or expense is charged to the Fund/Sub-Fund in error or otherwise in a manner not in accordance with this Prospectus and applicable law, the relevant amount shall be credited to the Fund/Sub-Fund.

The expenses originating in the establishment of the Fund have been amortised during a period of 5 years.

Where further Sub-Funds are created in the future, these Sub-Funds will bear their own formation expenses. The costs may, at the discretion of the Directors, be amortised on a straight line basis over 5 years from the date on which the Fund/Sub-Funds commenced business. The

Directors may, in their absolute discretion, shorten the period over which such costs are amortised.

REPORTS AND FINANCIAL STATEMENTS

The financial year of the Fund ends on 31 December in each year.

The audited annual reports and unaudited semi-annual reports will comprise consolidated financial statements of the Fund expressed in SEK, being the reference currency of the Fund.

Separate accounts are issued for each Sub-Fund in their base currency as indicated in the Annexes. At the preparation of the balance sheet of the Fund these accounts are added up after translation to the currency of the Fund (SEK).

Copies of the annual and semi-annual reports and financial statements may be obtained free of charge from the registered office of the Fund.

DISTRIBUTION POLICY

Within each Sub-Fund, there may be created different Classes of Shares which are entitled to regular dividend payments ("Distribution Shares") or with earnings reinvested ("Accumulation Shares").

Accumulation Shares

Unless a Class is identified as a "Distributing Class" or "dist" or a distribution policy is otherwise specified in the relevant Annex or by the Directors, all Classes of all Sub-Funds have an accumulation policy and, consequently, no dividends will be paid.

Distribution Shares

The Board of Directors reserves the right, within the limits of applicable law, to introduce a distribution policy which may vary according to each Sub-Fund and Class that is designated as "Distributing Class" or "dist".

If a dividend is declared by the Fund, it will be paid to each Shareholder concerned in the currency of the relevant Sub-Fund or Class, normally by bank transfer to the address shown on the register of Shareholders, and in case of joint shareholding, to the first registered holder of the relevant Distribution Shares.

Dividend payments are restricted by law in that they may not reduce the net assets of the Fund below the required minimum determined by Luxembourg Law.

In the event that a dividend is declared and remains unclaimed after a period of five years from the date of declaration, such dividend will be forfeited and will revert to the Sub-Fund or Class in relation to which it was declared.

However, no dividends will be distributed if their amount is below the equivalent in SEK of fifty (50) EUR or such other amount to be decided by the Directors. Such amount will automatically be reinvested.

Dividends may consist of income, capital gains and capital.

TAXATION

The following is based on the Fund's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

The Fund

Under current law and practice the Fund is not liable to any Luxembourg income tax, nor are dividends (if any) paid by the Fund liable to any Luxembourg withholding tax. However, the Fund is liable in Luxembourg to a *taxe d'abonnement* of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the Fund at the end of the relevant quarter. The reduced *taxe d'abonnement* rate of 0.01% per annum will be applicable to Classes the Shares of which are exclusively held by Institutional Investors. To the extent that the assets of the Fund are invested in investment funds which are established in Luxembourg, no such tax is payable.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Fund.

Under current law and practice, it is anticipated that no Luxembourg capital gains tax will be payable on the realised or unrealised capital appreciation of the assets of the Fund.

Shareholders

Under current legislation Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for those domiciled, resident or having a permanent establishment in Luxembourg).

Automatic exchange of information

Under the law of December 18th 2015 implementing the EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation (the "DAC Directive") and the OECD Common Reporting Standard (the "CRS") (the "DAC Law"), the financial institutions of an EU Member State or a jurisdiction participating to the CRS are required to provide to the fiscal authorities of other EU Member States and jurisdictions participating to the CRS details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held on reportable accounts, as defined in the DAC Directive and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

Payment of interest and other income derived from the Shares will fall into the scope of the DAC Directive and the CRS and are therefore be subject to reporting obligations.

Prospective investors should consult their own tax advisor with respect to the application of the DAC Directive and the CRS to such investor in light of such investor's individual circumstances.

Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes special provisions laid down in the Foreign Account Tax Compliance Act, generally known as "FATCA". The intention of FATCA is that 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.

This regime has started to become effective in phases from 1 July 2014 and until 15 March 2018. Based on the Treasury Regulations §1.1471-§1.1474 issued on 17 January 2013 (the "Treasury Regulations") the Fund is a "Financial Institution". As a result of the Hire Act, and to discourage non-US Financial Institutions from staying outside this regime, on or after 1 July 2014, a Financial Institution that does not enter and comply with the regime will be subject to a US withholding tax of 30% on gross proceeds as well as on income from the US and, on or after 1 January 2017, also potentially on non-US investments.

Luxembourg has entered into a Model I Intergovernmental Agreement ("IGA Model I") with the United States on 28 March 2014. Under the terms of the IGA Model I, the Fund will be obliged to comply with the provisions of FATCA under the terms of the IGA Model I and under the terms of Luxembourg legislation implementing the IGA Model I (the "Luxembourg IGA legislation"), rather than under the US Treasury Regulations implementing FATCA.

In order to protect Shareholders from the effect of any penalty withholding, it is the intention of the Fund to be compliant with the requirements of the FATCA regime and hence, qualify as a so-called "participating financial institution" as defined in the IGA.

Companies that qualify as Restricted Funds are considered non-reporting financial institutions and do not need to register with, and report to, the U.S. Internal Revenue Service.

The Fund has opted for the status of Restricted Fund and therefore is submitted to specific obligations under FATCA and the Lux IGA Model I, such as the prohibition to sell its Shares to Prohibited Investors as further described in section "SUBSCRIPTIONS" of the Prospectus.

However the Fund's ability to avoid the withholding taxes under FATCA may not be within its control and may, in some cases, depend on the actions of an intermediary or other withholding agents in the chain of custody, or on the FATCA status of the investors or their beneficial owners. Any withholding tax imposed on the Fund would reduce the amount of cash available to pay all of its investors and such withholding may be allocated disproportionately to a particular Sub-Fund.
Although the Fund and the Management Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the US withholding tax, no assurance can be given that the Fund and the Management Company will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses.

Other jurisdictions currently are in the process of adopting tax legislation concerning the reporting of information. The Fund also intends to comply with such other similar tax legislation that may apply to the Fund, although the precise requirements are not fully known yet. As a result, the Fund may need to seek information about the tax status of investors under the laws of such jurisdictions for disclosure to the relevant governmental authorities.

If you are in any doubt, you should consult your tax advisor, stockbroker, bank manager, solicitor, accountant or other financial adviser regarding the possible implications of FATCA on an investment in the Fund.

General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

Investors should also note that (i) the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market including taxation levied by withholding at source and/or (ii) a Sub-Fund's investments may be subject to specific taxes or charges imposed by authorities in some markets. Tax law and practice in certain countries into which a Sub-Fund invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that a Sub-Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

As a matter of example, the Brazilian Government introduced 'Tax Over Financial Transactions' ("IOF") from 20 October 2009 on all foreign capital inflows.

The IOF charge of 2% affects inflow of foreign exchange transactions across all asset classes into the Brazilian currency the Brazilian Real. In October 2010, the IOF tax for foreign investments was increased from 2% to 6% for investment into Brazilian domestic debt securities and certain other investment categories including debentures and Brazilian-domiciled investment funds.

CONFLICTS OF INTERESTS

The Directors, the Management Company, the Investment Manager, the Depositary and Paying Agent, the Central Administration Agent, Registrar and Transfer Agent may, in the course of their business, have potential conflicts of interests with the Company. Each of them will have regard to their respective duties to the Company and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, each of such persons has undertaken or shall be requested by the Company to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

The Management Company and the Investment Manager are part of the East Capital group of companies, which offers various services to its clients. As a result, there may be conflicts of interest between the various activities of these companies and their duties and obligations to the Company.

The Management Company, under the rules of conduct applicable to it, must try to avoid conflicts of interest and when they cannot be avoided, ensure that its clients (including the Company and its Shareholders) are fairly treated.

For the purposes of identifying the types of conflicts of interest that arise in the course of providing services and activities and whose existence may damage the interests of the Fund or any of its Sub-Funds, the Management Company takes into account, by way of minimum criteria, the question of whether the Management Company or a relevant person, or a person directly or indirectly linked to the Management Company by way of control, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise:

a) the Management Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Fund or any of its Sub-Funds;

b) the Management Company or that person has an interest in the outcome of a service or an activity provided to the Fund or another client or of a transaction carried out on behalf of the Fund or another client, which is distinct from the Fund's interest in that outcome;

c) the Management Company or that person has a financial or other incentive to favour the interests of another client or group of clients over the interests of the Fund or any of its Sub-Fund;

d) the Management Company or that person carries on the same activities for the Fund or any of its Sub-Funds and for another client or clients which are not UCITS;

e) the Management Company or that person receives or will receive from a person other than the Fund or any of its Sub-Funds an inducement in relation to collective portfolio management activities provided to the Fund or any of its Sub-Funds, in the form of monies, goods or services, other than the standard commission or fee for that service.

The conflicts of interest policy of the Management Company containing further details and information in particular on how potential conflicts of interests may be mitigated and the identity of the persons responsible for such mitigation is available at the registered office of the Management Company and on the following website www.eastcapital.com of the Management Company.

GENERAL AND STATUTORY INFORMATION

The information in this section includes a summary of some of the provisions of the Articles and Material Contracts described below and is provided subject to the general provisions of each of such documents.

1. The Fund

The Fund was incorporated on 16 December 1998 under the name of "The Modern Funds, SICAV" and changed its name on 8 June 2009 to "Capinordic Funds, SICAV", on 21 July 2011 to "Monyx Fund" and with effect as of 1 October 2019 to "Espiria". The Fund is organised as an open-ended investment company (*société d'investissement à capital variable* – SICAV) with multiple compartments. The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited. The minimum capital shall correspond to the SEK amount equivalent to EUR 1,250,000. The Fund has designated a management company subject to chapter 15 of the Law. The Articles were published in the Mémorial C, *Recueil des Sociétés et Associations* (the "Mémorial") on 1 March 1999. The Articles were last amended with effect on 1 October 2019 and such amendments were published in the *Recueil Electronique des Sociétés et Associations* ("RESA") on 16 October 2019. The Articles are on file with the *Registre de Commerce et des Sociétés* of Luxembourg.

The Fund is designed to offer investors, within the same investment vehicle, a choice of Sub-Funds, which are managed separately and are distinguished principally by their specific investment policy and/or by the currency in which they are denominated.

2. Share Capital

The capital of the Fund will always be equal to the value of its net assets. The Shares are of no par value and must be issued fully paid. The Shares carry no preferential or pre-emption rights and each share is entitled to one vote at all meetings of Shareholders. The Fund's minimum capital shall correspond to the SEK amount equivalent to EUR 1,250,000.

3. Publication of Prices

The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Fund and any newspaper the Directors may determine from time to time.

4. Benchmark

Regulation (EU) 2016/1011 (also known as the "EU Benchmark Regulation"), as may be amended from time to time, requires the Fund to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Fund shall comply with this obligation. Further information on the plan is available on request free of charge.

Unless otherwise provided in a Sub-Fund Appendix, all the Sub-Funds are actively managed and do not use any benchmark for portfolio construction, risk management, performance assessment or any other purposes.

5. Meetings

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg or at such other place in the Grand Duchy of Luxembourg as may be specified in the notice, at any date and time decided by the Board of Directors but no later than six months from the end of the Fund's previous financial year. Notices of all general meetings are available at the registered office of the Fund. They are also published in the RESA and newspapers to the extent required by Luxembourg law and in such other newspapers as the Directors shall determine. Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission, and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

Matters relating to a particular Sub-Fund, such as a vote on the payment of a dividend in relation to that Sub-Fund, may be decided by a vote at a meeting of the Shareholders of that Sub-Fund. Any change in the Articles affecting the rights of Shareholders of a particular Sub-Fund must be approved by a resolution both of all the Shareholders of the Fund and of the Shareholders of the Sub-Fund in question.

6. Winding-Up

The Fund may be wound up by decision of an extraordinary general meeting of the Shareholders. Such a meeting must be convened if the value of the net assets of the Fund falls below the respective levels of two-thirds or one quarter of the minimum capital prescribed by Luxembourg law. At any such meeting convened in such circumstances decisions to wind up the Fund will be taken in accordance with the requirements of the Law.

If the Fund is to be wound up, the winding-up will be carried out in accordance with the provisions of Luxembourg law which specify the steps to be taken to enable Shareholders to participate in distribution(s) on the winding-up and in this connection provides for the deposit in escrow at the *Caisse de Consignation* of any amounts which have not been claimed by Shareholders at the close of the winding-up. Amounts not claimed from escrow within the prescription period are liable to be forfeited in accordance with the provisions of Luxembourg law.

7. Dissolution and Amalgamation of Sub-Funds

Sub-Funds will be automatically dissolved at the end of their fixed term as may be provided for in the relevant Annex.

A Sub-Fund may also be dissolved by compulsory redemption of Shares of the Sub-Fund concerned, upon a decision of the Directors:

(a) if the Net Asset Value of the Sub-Fund concerned has decreased below the equivalent in SEK of EUR 1,250,000 or the equivalent in another currency, or

(b) if a change in the economic or political situation relating to the Sub-Fund concerned would have material adverse consequences on investments of the Sub-Fund, or

(c) in order to proceed with an economic rationalisation.

The Redemption Price will be the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated as of the Valuation Day at which such decision shall take effect.

The Fund shall serve a written notice to the holders of the relevant Shares prior to the effective date of the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations. Shareholders shall be notified in writing. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge prior to the effective date of the compulsory redemption, taking into account actual realisation prices of investments and realisation expenses.

Notwithstanding the powers conferred to the Directors by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund may, upon proposal from the Directors, redeem all the Shares of such Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of those present or represented if such decision does not result in the liquidation of the Fund.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited in escrow with the Luxembourg *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

Any merger of a Sub-Fund shall be decided by the Board of Directors unless the Board of Directors decides 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 Fund ceases to exist, the merger shall be decided by a meeting of Shareholders resolving in accordance with the quorum and majority requirements for changing these Articles. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (in particular the notification to the Shareholders concerned) shall apply.

The Board of Directors may also, subject to regulatory approval (if required), decide to consolidate or split any Class within a Sub-Fund. To the extent required by Luxembourg law, such decision will be published or notified in the same manner as described above and the publication and/or notification will contain information in relation to the proposed split of consolidation. The Board of Directors may also decide to submit the question of the consolidation or split of Class(es) to a meeting of holders of such Class(es). No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

8. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:

i. An Agreement between the Fund and the Management Company, pursuant to which the latter was appointed, subject to the overall control of the Directors, with responsibility on a day-to-day basis, for providing administration, investment management and advisory services in respect of all the sub-funds of the Fund.

ii. An Agreement between the Management Company and the Investment Manager pursuant to which the latter was appointed, subject to the overall control of the Management Company, to manage the Fund's investments.

iii. An Agreement between the Fund and the Depositary pursuant to which the latter was appointed paying agent and depositary of the assets of the Fund.

iv. The Administrative, Registrar and Transfer Agent Agreement between the Management Company and UI efa S.A. pursuant to which the latter was appointed as Central Administration Agent, Registrar and Transfer Agent.

Any of the above Agreements may be amended by mutual consent of the parties, consent on behalf of the Fund being given by the Directors.

9. <u>Documents available for inspection</u>

Copies of the following documents are available for inspection during business hours on each bank business day at the registered office of the Fund in Luxembourg:

1. the Articles of the Fund;

2. the Material Contracts referred to above.

Copies of the Articles, of the current Prospectus, the KIDs and of the latest reports of the Fund may be obtained free of charge at the registered office of the Fund.

LUXEMBOURG REGISTER OF BENEFICIAL OWNERS

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "Law of 13 January 2019") entered into force on 1 March 2019 and requires all companies registered on the Luxembourg Company Register, including the Fund, to obtain and hold information on their beneficial owners ("Beneficial Owners") at their registered office. The Fund 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 Law of 13 January 2019 broadly defines a Beneficial Owner, in the case of corporate entities such as the Fund, as any natural person(s) who ultimately owns or controls the Fund through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in the Fund, including through bearer shareholders, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the Fund held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the Fund held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by an investor with regard to the Fund, this investor is obliged by law to inform the Fund in due course and to provide the required supporting documentation and information which is necessary for the Fund to fulfil its obligation under the Law of 13 January 2019. Failure by the Fund and the relevant Beneficial Owners to comply with their respective obligations deriving from the Law of 13 January 2019 will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Fund for clarification.

ANNEX 1: Espiria Global Innovation

Objectives and Investment Policy

The investment objective of the Sub-Fund is to achieve significant capital appreciation over the long term.

The Sub-Fund will invest directly or indirectly at least 80% of its net assets in global markets equities, including emerging markets equities, and equity-related securities or depositary receipts representing such global market equities. The Sub-Fund intends to focus on investments in companies related to technologies (including but not limited to technology, media and communication services). Indirect exposure will be achieved through investments in UCITS, other UCIs, exchange traded funds, as well as in UCITS eligible structured products such as participatory notes and/or equity-linked notes.

The Sub-Fund applies ESG criteria as outlined in the sustainability related disclosure in the investment approach. See "ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE" section and the SFDR Schedule for more details.

The Sub-Fund may invest directly up to 20% of its net assets in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or through the Shenzhen-Hong Kong Stock Connect, or through any other eligible means providing PRC stock market access.

The Sub-Fund may utilise financial derivative instruments for hedging purposes as well as implementing its investment objective. Use of derivatives may result in exposure beyond the AuM of the Sub-Fund which may, depending on the market circumstances, increase or decrease the volatility of the Net Asset Value.

The Sub-Fund may seek indirect exposure to various financial indices, representing global equity markets, regions, countries and sectors.

Under normal market conditions, investments in debt securities of any kind (including below investment grade securities, unrated securities, distressed/defaulted securities, contingent convertible securities) will not exceed 20% of the Sub-Fund's net assets, although only up to 10% of its net assets may be invested in distressed/defaulted securities.

The Sub-Fund may hold ancillary liquid assets as defined in the main part of this Prospectus and under the conditions described therein. The Sub-Fund is also allowed to invest in bank deposits and money-market instruments for treasury purposes.

The Solactive ISS ESG Screened Global Markets Index NTR has been chosen for comparison purposes only. The Sub-Fund is actively managed and it has a significant degree of deviation from the components of and the respective weightings in the index.

Specific risk considerations for the Sub-Fund

The market value of securities owned by the Sub-Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, market conditions in general not specifically related to any individual issuers or particular industries or sectors within the securities markets.

Market conditions which are not specifically related to a particular issuer include, but are not limited to, 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. Individual issuers or particular industries or sectors are affected by changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value.

When markets perform well, there can be no assurance that the Sub-Fund's securities will participate in or otherwise benefit from the performance of the market. Generally, equities have historically outperformed other types of investments over the long term. Individual equity prices however tend to be more volatile. A slower-growth or recessionary economic environment could have an adverse effect on the price of the various equities held by the Sub-Fund.

Investors in this Sub-Fund are also subject to specific risks with respect to the investments in contingent convertible bonds, perpetual bonds, below investment grade, defaulted and distressed securities, as described in section "RISK WARNINGS" of this Prospectus.

Profile of the typical investor

The Sub-Fund is suitable for investors who consider investment funds to be a convenient way of participating in the capital market developments. It is also suitable for more experienced investors wishing to obtain defined investment objectives. The investor must understand more volatile products and must be able to accept significant temporary losses and thus the Sub-Fund is suitable for investors who can afford to set aside the capital for a minimum of 5 years.

Reference currency

The reference currency of the Sub-Fund is the SEK.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

Business Day / Half Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg and Sweden (except on 24 December) and which is also a day where stock exchanges and/or regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

A Half Business Day is a Business Day on which a Stockholm Securities Exchange closes earlier than its usual business hours in Sweden such as 5 January, 30 April, 5 June, 23 December and 30 December.

The Business Days and Half Business Days will be available at the registered office of the Fund and on the following website: https://www.espiria.se/en/about-us/documents, under "Trading Calendar".

Subscriptions

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the section "SUBSCRIPTIONS".

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day provided that payment has been received no later than on the third Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent no later than these deadlines on the relevant Valuation Day for which payments has not been received, will be dealt with on the basis of the Net Asset Value per Share of the Valuation Day when payment is received.

No Subscription Charge will be payable, except for Class A CZK or Class A EUR Shares.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after these deadlines on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day. No Redemption Charge will be payable.

Payment of redemption proceeds will normally be made within five Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

ANNEX 2: Espiria Hållbar Framtid

Objectives and Investment Policy

The investment objective of the Sub-Fund is to invest in companies that generate a positive social and environmental impact and achieve significant capital appreciation over the long-term.

The Sub-Fund will invest in companies who contribute to one or several of the UN's Sustainable Development Goals (SDGs) in their offering of products, services, and technologies.

The Sub-Fund applies ESG criteria as outlined in the sustainability related disclosure in the investment approach. See "ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE" section and the SFDR Schedule for more details.

The Sub-Fund will invest at least 80% of its net assets directly or indirectly in global markets equities, including emerging markets equities, and equity related securities or depositary receipts representing such global market equities. Indirect exposure will be achieved through investments in UCITS, other UCIs, exchange traded funds, as well as in UCITS eligible structured products such as participatory notes and/or equity-linked notes.

The Sub-Fund may utilise financial derivative instruments for hedging purposes as well as implementing its investment objective. Use of derivatives may result in exposure beyond the AuM of the Sub-Fund which may, depending on the market circumstances, increase or decrease the volatility of the Net Asset Value.

Under normal market conditions, investments in debt securities of any kind (including below investment grade securities, unrated securities, distressed/defaulted securities, contingent convertible securities) will not exceed 20% of the Sub-Fund's net assets, although only up to 10% of its net assets may be invested in distressed/defaulted securities.

The Sub-Fund may hold ancillary liquid assets as defined in the main part of this Prospectus and under the conditions described therein. The Sub-Fund is also allowed to invest in bank deposits.

The Solactive ISS ESG Screened Global Markets Index NTR has been chosen for comparison purposes only. The Sub-Fund is actively managed and it has a significant degree of deviation from the components of and the respective weightings in the index.

Specific risk considerations for the Sub-Fund

The market value of securities owned by the Sub-Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, market conditions in general not specifically related to any individual issuers or particular industries or sectors within the securities markets.

Market conditions which are not specifically related to a particular issuer include, but are not limited to, 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. Individual issuers or particular industries or sectors are affected by changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value.

When markets perform well, there can be no assurance that the Sub-Fund's securities will participate in or otherwise benefit from the performance of the market. Generally, equities have historically outperformed other types of investments over the long term. Individual equity prices however tend to be more volatile. A slower growth or recessionary economic environment could have an adverse effect on the price of the various equities held by the Sub-Fund.

Investors in this Sub-Fund are also subject to specific risks with respect to the investments in contingent convertible bonds, perpetual bonds, below investment grade, defaulted and distressed securities, as described in section "RISK WARNINGS" of this Prospectus.

Profile of the typical investor

The Sub-Fund is suitable for investors who consider investment funds to be a convenient way of participating in the capital market developments. It is also suitable for more experienced investors wishing to obtain defined investment objectives. The investor must understand more volatile products and must be able to accept significant temporary losses and thus the Sub-Fund is suitable for investors who can afford to set aside the capital for a minimum of 5 years.

Reference currency

The reference currency of the Sub-Fund is the SEK.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

Business Day / Half Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg and Sweden (except on 24 December) and which is also a day where stock exchanges and/or regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

A Half Business Day is a Business Day on which a Stockholm Securities Exchange closes earlier than its usual business hours in Sweden such as 5 January, 30 April, 5 June, 23 December and 30 December.

The Business Days and Half Business Days will be available at the registered office of the Fund and on the following website: https://www.espiria.se/en/about-us/documents, under "Trading Calendar".

Subscriptions

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the section "SUBSCRIPTIONS".

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day provided that payment has been received no later than on the third Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent no later than these deadlines on the relevant Valuation Day for which payments has not been received, will be dealt with on the basis of the Net Asset Value per Share of the Valuation Day when payment is received.

No Subscription Charge will be payable, except for Class A CZK or Class A EUR Shares.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after these deadlines on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

No Redemption Charge will be payable.

Payment of redemption proceeds will normally be made within five Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

ANNEX 3: Espiria 90

Objectives and Investment Policy

The investment objective of the Sub-Fund is to achieve significant capital appreciation over the long term.

The Sub-Fund will normally invest 90% of the Sub-Fund's net assets directly or indirectly in global markets equities, including emerging markets equities, and equity related securities or depositary receipts representing such global market equities. The Sub-Fund may also invest, directly or indirectly, in debt securities and money market securities, depending on market conditions. Indirect exposure will be achieved through investments in units of UCITS, other UCIs, exchange traded funds as well as in UCITS eligible structured products such as participatory notes and/or equity-linked notes.

The Sub-Fund applies ESG criteria as outlined in the sustainability related disclosure in the investment approach. See "ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE" section and the SFDR Schedule for more details.

The Sub-Fund aims, over the long term, to invest, directly or indirectly, 65%-100% of its net assets in global markets equities and equity related instruments and/or UCITS, other UCIs and exchange traded funds with exposure to these asset classes and between 0%-35% in debt securities of any kind (including below investment grade securities, unrated securities, distressed/defaulted securities, contingent convertible securities) and money market securities and/or UCITS, other UCIs and exchange traded funds with exposure to these asset classes. Direct investments in contingent convertible securities will not exceed 20% of the Sub-Fund's net assets. Investments in distressed/default securities will not exceed 10% of the Sub-Fund's assets.

However, the percentage invested directly or indirectly in any of the above types may vary over time, depending on market factors and exposure to equities and equity related instruments or debt securities may represent up to 100% of the total exposure, i.e. the aggregated value of direct investments and commitment from investments in financial derivative instruments of the Sub-Fund.

The Sub-Fund may invest directly up to 10% of its net assets in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or through the Shenzhen-Hong Kong Stock Connect, or through any other eligible means providing PRC stock market access

The Sub-Fund may utilise financial derivative instruments for hedging purposes as well as implementing its investment objective. Use of derivatives may result in exposure beyond the AuM of the Sub-Fund which may, depending on the market circumstances, increase or decrease the volatility of the Net Asset Value.

The Sub-Fund may hold ancillary liquid assets as defined in the main part of this Prospectus and under the conditions described therein. The Sub-Fund is also allowed to invest in bank deposits for treasury purposes.

The Sub-Fund is actively managed is not using any benchmark. Assets within the Sub-Fund are managed in such a way that makes comparison with common benchmarks irrelevant. The main focus in the asset management process is to adhere to a target risk level, while observing other limitations to the investment universe.

Specific risk considerations for the Sub-Fund

The market value of securities owned by the Sub-Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, market conditions in general not specifically related to any individual issuers or particular industries or sectors within the securities markets.

Market conditions which are not specifically related to a particular issuer include, but are not limited to, 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. Individual issuers or particular industries or sectors are affected by changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value.

When markets perform well, there can be no assurance that the Sub-Fund's securities will participate in or otherwise benefit from the performance of the market. Generally, equities have historically outperformed other types of investments over the long term. Individual equity prices however tend to be more volatile. A slower growth or recessionary economic environment could have an adverse effect on the price of the various equities held by the Sub-Fund.

Investors in this Sub-Fund are also subject to specific risks with respect to the investments in contingent convertible bonds, perpetual bonds, below investment grade, defaulted and distressed securities, as described in section "RISK WARNINGS" of this Prospectus.

Profile of the typical investor

The Sub-Fund is suitable for investors who consider investment funds to be a convenient way of participating in the capital market developments. It is also suitable for more experienced investors wishing to obtain defined investment objectives. The investor must understand more volatile products and must be able to accept significant temporary losses and thus the Sub-Fund is suitable for investors who can afford to set aside the capital for a minimum of 5 years.

Reference currency

The reference currency of the Sub-Fund is the SEK.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

Business Day / Half Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg and Sweden (except on 24 December) and which is also a day where stock exchanges and/or regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

A Half Business Day is a Business Day on which a Stockholm Securities Exchange closes earlier than its usual business hours in Sweden such as 5 January, 30 April, 5 June, 23 December and 30 December.

The Business Days and Half Business Days will be available at the registered office of the Fund and on the following website: https://www.espiria.se/en/about-us/documents, under "Trading Calendar".

Subscriptions

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the section "SUBSCRIPTIONS".

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day provided that payment has been received no later than on the third Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent no later than these deadlines on the relevant Valuation Day for which payments has not been received, will be dealt with on the basis of the Net Asset Value per Share of the Valuation Day when payment is received.

No Subscription Charge will be payable, except for Class A CZK or Class A EUR Shares.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after these deadlines on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day. No Redemption Charge will be payable.

Payment of redemption proceeds will normally be made within five Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

ANNEX 4: Espiria 60

Objectives and Investment Policy

The investment objective of the Sub-Fund is to achieve a combination of income and long-term capital appreciation

The Sub-Fund will normally invest 60% of the Sub-Fund's net assets directly or indirectly in global markets equities, including emerging markets equities, and equity related securities or depositary receipts representing such global market equities. The Sub-Fund may also invest, directly or indirectly, in debts securities and money market securities, depending on market conditions and when deemed appropriate by the Investment Manager. Indirect exposure will be achieved through investments in units of UCITS, other UCIs, exchange traded funds as well as in UCITS eligible structured products such as participatory notes and/or equity-linked notes.

The Sub-Fund applies ESG criteria as outlined in the sustainability related disclosure in the investment approach. See "ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE" section and the SFDR Schedule for more details.

The Sub-Fund may invest directly up to 6.5% of its net assets in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or through the Shenzhen-Hong Kong Stock Connect, or through any other eligible means providing PRC stock market access.

The Sub-Fund aims, over the long term, to invest, directly or indirectly, 35%-65% of its net assets in global markets equities, including emerging markets equities and equity related instruments and/or UCITS, other UCIs and exchange traded funds with exposure to these asset classes and 35%-65% of its net assets in debt securities of any kind (including below investment grade securities, unrated securities, distressed/defaulted securities, contingent convertible securities) and money market securities and/or UCITS, other UCIs and exchange traded funds with exposure to these asset classes. Direct investments in contingent convertible securities will not exceed 20% of the Sub-Fund's net assets. Investments in distressed/default securities will not exceed 10% of the Sub-Fund's assets.

However, the percentage invested directly or indirectly in any of the above types may vary over time, depending on market factors and exposure to global equities and equity related instruments or debt securities may represent up to 100% of the total exposure, i.e. the aggregated value of direct investments and commitment from investments in financial derivative instruments, of the Sub-Fund.

The Sub-Fund may utilise financial derivative instruments for hedging purposes as well as implementing its investment objective. Use of derivatives may result in exposure beyond the AuM of the Sub-Fund which may, depending on the market circumstances, increase or decrease the volatility of the Net Asset Value.

The Sub-Fund may hold ancillary liquid assets as defined in the main part of this Prospectus and under the conditions described therein. The Sub-Fund is also allowed to invest in bank deposits for treasury purposes.

The Sub-Fund is actively managed is not using any benchmark. Assets within the Sub-Fund are managed in such a way that makes comparison with common benchmarks irrelevant. The main focus in the asset management process is to adhere to a target risk level, while observing other limitations to the investment universe.

Specific risk considerations for the Sub-Fund

The market value of securities owned by the Sub-Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, market conditions in general not specifically related to any individual issuers or particular industries or sectors within the securities markets.

Market conditions which are not specifically related to a particular issuer include, but are not limited to, 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. Individual issuers or particular industries or sectors are affected by changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value.

When markets perform well, there can be no assurance that the Sub-Fund's securities will participate in or otherwise benefit from the performance of the market. Generally, equities have historically outperformed other types of investments over the long term. Individual equity prices however tend to be more volatile. A slower growth or recessionary economic environment could have an adverse effect on the price of the various equities held by the Sub-Fund.

The risk associated with investing in debt securities is affected by the duration of the holdings when interest rates fluctuate. The Sub-Fund is also exposed to a certain credit risk but this risk is limited as the Sub-Fund will primarily invest in bonds issued by companies with higher credit ratings.

Investors in this Sub-Fund are also subject to specific risks with respect to the investments in contingent convertible bonds, perpetual bonds, below investment grade, defaulted and distressed securities, as described in section "RISK WARNINGS" of this Prospectus.

Profile of the typical investor

The Sub-Fund is suitable for investors who consider investment funds to be a convenient way of participating in the capital market developments. It is also suitable for more experienced investors wishing to obtain defined investment objectives. The investor must understand more volatile products and must be able to accept significant temporary losses and thus the Sub-Fund is suitable for investors who can afford to set aside the capital for a minimum of 3 years.

Reference currency

The reference currency of the Sub-Fund is the SEK.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

Business Day / Half Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg and Sweden (except on 24 December) and which is also a day where stock exchanges and/or regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

A Half Business Day is a Business Day on which a Stockholm Securities Exchange closes earlier than its usual business hours in Sweden such as 5 January, 30 April, 5 June, 23 December and 30 December.

The Business Days and Half Business Days will be available at the registered office of the Fund and on the following website: https://www.espiria.se/en/about-us/documents, under “Trading Calendar”.

Subscriptions

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the section "SUBSCRIPTIONS".

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day provided that payment has been received no later than on the third Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent no later than these deadlines on the relevant Valuation Day for which payments has not been received, will be dealt with on the basis of the Net Asset Value per Share of the Valuation Day when payment is received.

No Subscription Charge will be payable, except for Class A CZK or Class A EUR Shares.

<u>Redemptions</u>

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after these deadlines on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day. No Redemption Charge will be payable.

Payment of redemption proceeds will normally be made within five Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

ANNEX 5: Espiria 30

Objectives and Investment Policy

The investment objective of the Sub-Fund is to achieve a combination of income and long-term capital appreciation

The Sub-Fund will invest directly or indirectly in debt securities and money market securities.

The Sub-Fund will invest a target of 30% of the Sub-Fund's net assets directly or indirectly in global markets equities, including emerging market equities, and equity related securities or depositary receipts representing such global market equities. Indirect exposure will be achieved through investments in units of other UCITS, other UCIs, exchange traded funds as well as in UCITS eligible structured products such as participatory notes and/or equity-linked notes.

The Sub-Fund applies ESG criteria as outlined in the sustainability related disclosure in the investment approach. See "ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE" section and the SFDR Schedule for more details.

The Sub-Fund may invest directly up to 3.5% of its net assets in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or through the Shenzhen-Hong Kong Stock Connect, or through any other eligible means providing PRC stock market access.

The Sub-Fund aims, over the long term, to invest, directly or indirectly, 65%-100% of its net assets in debt securities of any kind (including below investment grade securities, unrated securities, distressed/defaulted securities, contingent convertible securities) and money market securities and/or UCITS, other UCIs and exchange traded funds with exposure to these asset classes and up to 35% of its assets in global markets equities, including emerging market equities, and equity related instruments and/or UCITS, other UCIs and exchange traded funds with exposure to these asset classes. However, the percentage invested directly or indirectly in any of the above types may vary over time, depending on market factors and exposure to global equities may represent up to 50% of the total exposure, i.e. the aggregated value of direct investments and commitment from investments in financial derivative instruments, of the Sub-Fund. Direct investments in contingent convertible securities will not exceed 20% of the Sub-Fund's net assets. Investments in distressed/default securities will not exceed 10% of the Sub-Fund's assets.

The Sub-Fund may utilise financial derivative instruments for hedging purposes as well as implementing its investment objective. Use of derivatives may result in exposure beyond the AuM of the Sub-Fund which may, depending on the market circumstances, increase or decrease the volatility of the Net Asset Value.

The Sub-Fund may hold ancillary liquid assets as defined in the main part of this Prospectus and under the conditions described therein. The Sub-Fund is also allowed to invest in bank deposits for treasury purposes.

The Sub-Fund is actively managed is not using any benchmark. Assets within the Sub-Fund are managed in such a way that makes comparison with common benchmarks irrelevant. The main focus in the asset management process is to adhere to a target risk level, while observing other limitations to the investment universe.

Specific risk considerations for the Sub-Fund

The risk associated with investing in debt securities is affected by the duration of the holdings when interest rates fluctuate. The Sub-Fund's investments in debt securities with longer maturities will increase the risk of the Sub-Fund as the market value of such securities are more affected by interest rate changes that securities with shorter maturities.

The Sub-Fund is also exposed to a certain credit risk but this risk is limited as the Sub-Fund will primarily invest in bonds issued by companies with higher credit ratings.

Market conditions which are not specifically related to a particular issuer include, but are not limited to, 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. Individual issuers or particular industries or sectors are affected by changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value.

When markets perform well, there can be no assurance that the Sub-Fund's securities will participate in or otherwise benefit from the performance of the market. Generally, equities have historically outperformed other types of investments over the long term. Individual equity prices however tend to be more volatile. A slower-growth or recessionary economic environment could have an adverse effect on the price of the various equities held by the Sub-Fund.

Investors in this Sub-Fund are also subject to specific risks with respect to the investments in contingent convertible bonds, perpetual bonds, below investment grade, defaulted and distressed securities, as described in section "RISK WARNINGS" of this Prospectus.

Profile of the typical investor

The Sub-Fund is suitable for investors who consider investment funds to be a convenient way of participating in the capital market developments. It is also suitable for more experienced investors wishing to obtain defined investment objectives. The investor must understand more volatile products and must be able to accept significant temporary losses and thus the Sub-Fund is suitable for investors who can afford to set aside the capital for a minimum of 2 years.

Reference currency

The reference currency of the Sub-Fund is the SEK.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

Business Day / Half Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg and Sweden (except on 24 December) and which is also a day where stock exchanges and/or regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

A Half Business Day is a Business Day on which a Stockholm Securities Exchange closes earlier than its usual business hours in Sweden such as 5 January, 30 April, 5 June, 23 December and 30 December.

The Business Days and Half Business Days will be available at the registered office of the Fund and on the following website: https://www.espiria.se/en/about-us/documents, under "Trading Calendar".

Subscriptions

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the section "SUBSCRIPTIONS".

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day provided that payment has been received no later than on the third Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent no later than these deadlines on the relevant Valuation Day for which payments has not been received, will be dealt with on the basis of the Net Asset Value per Share of the Valuation Day when payment is received.

No Subscription Charge will be payable, except for Class A CZK or Class A EUR Shares.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after these deadlines on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day. No Redemption Charge will be payable.

Payment of redemption proceeds will normally be made within five Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

ANNEX 6: Espiria Nordic Corporate Bond

Objectives and Investment Policy

The investment objective of the Sub-Fund is to achieve a combination of interest income and capital appreciation by investing, directly or indirectly, in debt securities and money market securities issued predominantly by entities that are domiciled, or which exercise a significant part of their activity, in the Nordics (Sweden, Finland, Norway, Denmark and Iceland).

The Sub-Fund will invest predominately in debt securities issued by corporations, financial institutions, governments and their agencies, state and municipal entities and/or UCITS, other UCIs and exchange traded funds with exposure to debt securities.

The Sub-Fund may invest all its net assets in debt securities of any kind including below investment grade securities, unrated securities, distressed/defaulted securities and contingent convertible securities, and/or UCITS, other UCIs and exchange traded funds with exposure to debt securities. The Sub-Fund may invest in debt securities across the full official credit rating scale (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies or determined to be of similar creditworthiness by the Investment Manager with respect to unrated securities).

The Sub-Fund may invest all its net assets in high yield securities. While the Investment Manager has discretion as to the extent of which the Sub-Fund invests in high yield securities, it is intended that the Sub-Fund mainly invests in such securities under normal market conditions.

Direct investments in contingent convertible securities will not exceed 20% of the Sub-Fund's net assets. Investments in distressed/default securities will not exceed 10% of the Sub-Fund's assets.

The Sub-Fund may also invest in money market securities issued by governments and their agencies, state and municipal entities, financial institutions, and corporations and/or UCITS, other UCIs and exchange traded funds with exposure to these debt securities.

The Sub-Fund applies ESG criteria as outlined in the sustainability related disclosure in the investment approach. See "ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE" section and the SFDR Schedule for more details.

The Sub-Fund has a minimum share of investments in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation of 0%. While the Sub-Fund does not commit to make such investments, it is nonetheless possible that the Sub-Fund may be exposed to underlying investments that contribute to climate change mitigation and/or climate change adaptation (including enabling and/or transitional activities).

The Sub-Fund may utilise financial derivative instruments for hedging purposes as well as implementing its investment objective. Use of derivatives may result in exposure beyond the assets under management of the Sub-Fund which may, depending on the market circumstances, increase or decrease the volatility of the Net Asset Value.

The Sub-Fund may hold ancillary liquid assets as defined in the main part of this Prospectus and under the conditions described therein. The Sub-Fund is also allowed to invest in bank deposits for treasury purposes.

Under unfavorable market circumstances during which the above-described investment strategy would become impossible to continue implementing and the Sub-Fund would no longer be able to achieve its investment objective, the Sub-Fund may, on a temporary basis, invest up to 100% of its net assets in bank deposits. For the avoidance of doubt, investment in such assets is not part of the core investment policy of the sub-fund.

The Sub-Fund is actively managed and not using any benchmark. Assets within the Sub-Fund are managed in such a way that makes comparison with common benchmarks irrelevant. The main focus in the asset management process is to adhere to a target risk level, while observing other limitations to the investment universe.

Specific risk considerations for the Sub-Fund

The risk associated with investing in debt securities is affected by the duration of the holdings when interest rates fluctuate. The Sub-Fund's investments in debt securities with longer maturities will increase the risk of the Sub-Fund as the market value of such securities are more affected by interest rate changes than securities with shorter maturities.

The Sub-Fund's portfolio may have a significant position in Sub-Investment Grade bonds, which means that there may be more risk to investor's capital and income than from a fund investing in only Investment Grade bonds.

Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner

Market conditions which are not specifically related to a particular issuer include, but are not limited to, 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. Individual issuers or particular industries or sectors are affected by changes in production costs and competitive conditions within an industry.

Investors in this Sub-Fund are therefore subject to specific risks with respect to the investments in contingent convertible bonds, perpetual bonds, below investment grade, defaulted and distressed securities, as described in section "RISK WARNINGS" of this Prospectus.

Profile of the typical investor

The Sub-Fund is suitable for investors who consider investment funds to be a convenient way of participating in the capital market developments. It is also suitable for more experienced investors wishing to obtain defined investment objectives. Investors are likely to use this Sub-Fund to complement an existing core bond portfolio and have a long-term investment horizon. The Sub-Fund is suitable for investors who can afford to set aside the capital for a minimum of 2 years.

Reference currency

The reference currency of the Sub-Fund is the SEK.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

Business Day / Half Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg and Sweden (except on 24 December) and which is also a day where stock exchanges and/or regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

A Half Business Day is a Business Day on which a Stockholm Securities Exchange closes earlier than its usual business hours in Sweden such as 5 January, 30 April, 5 June, 23 December and 30 December.

The Business Days and Half Business Days will be available at the registered office of the Fund and on the following website: https://www.espiria.se/en/about-us/documents, under "Trading Calendar".

Subscriptions

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the section "SUBSCRIPTIONS".

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day provided that payment has been received no later than on the third Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent no later than these deadlines on the relevant Valuation Day for which payments has not been received, will be dealt with on the basis of the Net Asset Value per Share of the Valuation Day when payment is received.

No Subscription Charge will be payable, except for Class A CZK or Class A EUR Shares.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after these deadlines on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

No Redemption Charge will be payable.

Payment of redemption proceeds will normally be made within five Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

ANNEX 7: Espiria Sweden Small Cap

Objectives and Investment Policy

The investment objective of the Sub-Fund is to achieve significant capital appreciation over the long term.

The Sub-Fund will invest directly or indirectly in transferable securities or fund units with at least 67% of its net assets in equities of small and medium-sized companies whose market value, does not exceed 90bn SEK or equivalent.

The Sub-Fund will invest at least 75% of the Sub-Fund's net assets directly or indirectly in equity and equity-related securities issued by companies that are listed in Sweden, have their registered office in Sweden, or conduct the majority of their operations in Sweden, or generate the majority of their income there. Additionally, the Sub-fund may invest directly or indirectly in the Finnish, Norwegian, Danish and Icelandic equity markets and equity related securities or depositary receipts representing these market's equities depending on market conditions.

Indirect exposure will be achieved through investments in units of other UCITS, other UCIs, exchange traded funds as well as in UCITS eligible structured products such as participatory notes and/or equity-linked notes.

The Sub-Fund may invest up to 20% of its net assets in listed debt instruments including but not limited to below investment grade securities, unrated securities, green bonds, perpetual bonds, convertible bonds, treasuries and government bonds in the Nordics (Sweden, Finland, Denmark, Norway or Iceland). The Sub-Fund will not invest in distressed securities, contingent convertible bonds (CoCos), mortgage-backed securities (MBS) or asset-backed securities (ABS).

Investments in convertible securities will not exceed 10% of the Sub-Fund's net assets. Investments in perpetual bonds will not exceed 10% of the Sub-Fund's net assets. The Sub-Fund may utilise financial derivative instruments for hedging purposes as well as implementing its investment objective. Use of derivatives may result in exposure beyond the AuM of the Sub-Fund which may, depending on the market circumstances, increase or decrease the volatility of the Net Asset Value.

The Sub-Fund may hold ancillary liquid assets as defined in the main part of this Prospectus and under the conditions described therein. The Sub-Fund is also allowed to invest in bank deposits for treasury purposes.

The Sub-Fund applies ESG criteria as outlined in the sustainability related disclosure in the investment approach. See "ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") AND SUSTAINABILITY RELATED DISCLOSURE" section and the SFDR Schedule for more details.

The Carnegie Small CSX Return Sweden index is used as Performance Fee Benchmark for the purpose of the calculation of the Performance Fee with respect to Classes A, P and SP Shares. The Sub-Fund is actively managed and it has a significant degree of deviation from the index.

Specific risk considerations for the Sub-Fund

The market value of securities owned by the Sub-Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, market conditions in general not specifically related to any individual issuers or particular industries or sectors within the securities markets.

Market conditions which are not specifically related to a particular issuer include, but are not limited to, 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. Individual issuers or particular industries or sectors are affected by changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value.

When markets perform well, there can be no assurance that the Sub-Fund's securities will participate in or otherwise benefit from the performance of the market. Generally, equities have historically outperformed other types of investments over the long term. Individual equity prices, however, tend to be more volatile. A slower growth or recessionary economic environment could have an adverse effect on the price of the various equities held by the Sub-Fund.

Small Caps present greater opportunities for growth but also involve greater risk than is customary associated with securities of more established issuers. The value of small company securities may fluctuate independently of larger company stock prices and broad stock market indices. The reasons for potentially higher price volatility when investing in smaller companies include the less certain growth prospects of smaller companies, the lower degree of liquidity of markets for such securities and the greater sensitivity of smaller companies to changing market conditions. Such issuers may have limited product lines, markets or financial resources and may be dependant of one or two key individuals.

Investors in this Sub-Fund are also subject to specific risks with respect to the investments in debt securities, as described in section "RISK WARNINGS" of this Prospectus

Profile of the typical investor

The Sub-Fund is suitable for investors who consider investment funds to be a convenient way of participating in the capital market developments. It is also suitable for more experienced investors wishing to obtain defined investment objectives. Investors are likely to use this Sub-Fund to complement an existing core equity portfolio and have a long-term investment horizon. The Sub-Fund is suitable for investors who can afford to set aside the capital for a minimum of 5 years.

Reference currency

The reference currency of the Sub-Fund is the SEK.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

Business Day / Half Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg and Sweden (except on 24 December) and which is also a day where stock exchanges and/or regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

A Half Business Day is a Business Day on which a Stockholm Securities Exchange closes earlier than its usual business hours in Sweden such as 5 January, 30 April, 5 June, 23 December and 30 December.

The Business Days and Half Business Days will be available at the registered office of the Fund and on the following website: https://www.espiria.se/en/about-us/documents, under "Trading Calendar".

Subscriptions

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the section "SUBSCRIPTIONS".

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day provided that payment has been received no later than on the third Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent no later than these deadlines on the relevant Valuation Day for which payments has not been received, will be dealt with on the basis of the Net Asset Value per Share of the Valuation Day when payment is received.

No Subscription Charge will be payable.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent no later than

- 15.00 CET on the relevant Valuation Day (which is a Business Day); and
- 11.00 CET on the relevant Valuation Day in case of a Half Business Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after these deadlines on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

No Redemption Charge will be payable.

Payment of redemption proceeds will normally be made within five Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

Fee Schedule

In addition to the information provided in section "Fees and Expenses" in the main part of this Prospectus, the following fees will apply to each Sub-Fund/Class.

I) Management Company Fee

The Management Company will receive the following management company fees:

Sub-Funds	Share Classes A, B, C, E, F, P, S, SP, X and Z								
	Administration services fee	Investment management services fee						Management fee for customers	Distribution and marketing services fee
Share Classes	A, B, C, E, F, P, S, SP, X & Z	A & B	C & S	E	P & SP	X	Z	F	A, B, C, E, F, P & Z
Espiria Global Innovation	0.0375% per annum	up to 1.40% per annum	up to 1.40% per annum	-	-	0% per annum	-	1.00%	0.20% per annum
Espiria Hållbar Framtid	0.0375% per annum	up to 1.40% per annum	up to 1.40% per annum	-	-	0% per annum	-	1.00%	0.20% per annum
Espiria 90	0.0375% per annum	up to 1.40% per annum	up to 1.40% per annum	-	-	0% per annum	-	1.00%	0.20% per annum
Espiria 60	0.0375% per annum	up to 1.60%* per annum	up to 1.60%* per annum	-	-	0% per annum	-	0.90%	0.20% per annum
Espiria 30	0.0375% per annum	up to 1.40%* per annum	up to 1.40%* per annum	-	-	0% per annum	-	0.70%	0.20% per annum
Espiria Nordic Corporate Bond	0.0375% per annum	up to 1.00%* per annum	up to 1.00%* per annum	-	-	0% per annum	up to 0.25% per annum	N/A	0.20% per annum
Espiria Sweden Small Cap	0.0375% per annum	up to 0.95% per annum	up to 0.70% per annum	up to 1.40% per annum	up to 0.40% per annum	0% per annum	-	NA	0.20% per annum

*Please refer to the below table:

	Investment management services fee	
Share Classes	**A**	
Espiria 30	CZK	up to 1.40% per annum
	EUR	up to 1.40% per annum
	SEK	up to 1.10% per annum
Espiria 60	CZK	up to 1.60% per annum
	EUR	up to 1.60% per annum
	SEK	up to 1.30% per annum

Espiria Nordic Corporate Bond	CZK	up to 1.00% per annum
	EUR	up to 1.00% per annum
	SEK	up to 0.70% per annum

The management company fees are accrued daily on the basis of the net assets of the Sub-Fund/Class of Shares and payable monthly in arrears.

The Investment Manager is remunerated by the Management Company out of the management company fees that it receives from the Fund.

II) Performance Fee

The Management Company, or the Investment Manager as the case may be, is entitled to a Performance Fee in respect of classes of shares as listed below under the relevant sub-fund as described below:

Espiria Sweden Small Cap
Performance fee rate: Class A, P and SP Shares 10%
The “Performance Fee Benchmark” is the Carnegie Small CSX Return Sweden index

1. Calculation of Performance Fee by application of a "Claw-Back Mechanism"

In respect of the above-mentioned Sub-Funds and certain Share Classes, the Management Company is entitled to receive from the net assets of each Sub-Fund or Share Class a performance based incentive fee (the "**Performance Fee**"). The rate at which the Performance Fee shall be applied (the "**Performance Fee Rate**") for each Sub-Fund is set out above . The "Calculation Period" for each Sub-Fund corresponds to the business year of the Fund (i.e. 1 January until 31 December) unless otherwise specified for a specific Sub-Fund. The first Calculation Period for each Sub-Fund will commence on the valuation day (as defined with respect to each Sub-Fund) immediately following the close of the initial offering period of the Sub-Fund/Share Class concerned. The Performance Fee will be calculated and accrued on each valuation day as an expense of the relevant Share Class and will be payable to the Management Company in arrears at the end of each Calculation Period. The "Claw-Back Mechanism" refers to the methodology of performance fee calculation as further prescribed under Section 1.3 below. It does not infer that any Performance Fees paid to the Management Company can be clawed back in future Calculation Periods of negative performance, if any.

1.1 Daily Share Class Return

On each valuation day, the "**Adjusted Net Asset Value**" is calculated in respect of each Share Class of any Sub-Fund for which a Performance Fee applies. The Adjusted Net Asset Value is the Net Asset Value (which includes all fees and expenses to be borne by the relevant Share Class), adjusted for any dividend distributions and any subscriptions and redemptions dealt with on that valuation day, and any Performance Fee accrued throughout that valuation day. The Adjusted Net Asset Value is based on the unswung Net Asset Value.

The "**Daily Share Class Return**" is calculated on each valuation day, as the difference between the net asset value (adjusted by adding back any accrued Performance Fee) on such valuation day and the Adjusted Net Asset Value on the previous valuation day, expressed as a percentage of the previous valuation day's Adjusted Net Asset Value for that Share Class.

1.2 Daily Benchmark Return

The "**Daily Benchmark Return**" is determined on each valuation day by taking the percentage difference between the Performance Fee Benchmark on such valuation day and the Performance Fee Benchmark on the previous valuation day. The Performance Fee Benchmark is determined on the basis of quotations available from independent sources, rounded upwards, to the nearest four decimal places and computed in accordance with prevailing market practices.

1.3 Claw-Back Mechanism

Following a Calculation Period in which no Performance Fee has been charged, no Performance Fee will accrue until such time as the cumulative Daily Share Class Return (since the last valuation day of the Calculation Period in which a Performance Fee was charged) exceeds the cumulative Daily Benchmark Return (since the last valuation day of the Calculation Period in which a Performance Fee was charged).

If no Performance Fee has been charged since the launch of the Share Class, no Performance Fee will accrue until such time as the cumulative Daily Share Class Return since the launch of that Share Class exceeds the cumulative Daily Benchmark Return since the launch of that Share Class.
For avoidance of doubt, the performance reference period is equal to the whole life of the Share Class.

1.4 Excess Return

On any valuation day, the "**Excess Return**" is given by the difference between the Daily Share Class Return and the Daily Benchmark Return. If however on any valuation day the difference between the Daily Share Class Return and the Daily Benchmark Return exceeds the difference between the cumulative Daily Share Class Return (since the last valuation day of the last accounting year in which a Performance Fee was charged) and the cumulative Daily Benchmark Return (since the last valuation day of the last accounting year in which a Performance Fee was charged), then the Excess Return for that valuation day is given by the difference between the cumulative Daily Share Class Return and the cumulative Daily Benchmark Return.

Additionally, if on any valuation day the difference between the cumulative Daily Share Class Return and the cumulative Daily Benchmark Return is zero or negative then the Excess Return for that valuation day will also be zero.

1.5 Performance Fee Accruals

The "**Daily Performance Fee Accrual**" is calculated each valuation day, and is equal to the Performance Fee Rate multiplied by the Excess Return multiplied by the previous Valuation Day's Adjusted Net Asset Value for that Share Class.

Subject to the provisions of the Claw-Back Mechanism described in 1.3 above, if on any valuation day the Daily Share Class Return exceeds the Daily Benchmark Return, the Performance Fee accrual is increased by the amount of the Daily Performance Fee Accrual. If, however, on any valuation day the Daily Share Class Return does not exceed the Daily Benchmark Return, the Performance Fee accrual is correspondingly reduced by the amount of that valuation day's Daily Performance Fee Accrual. The Performance Fee accrual will never be reduced below zero.

No Performance Fee will be accrued until such time as the cumulative Daily Share Class Return (since the last Calculation Period in which a Performance Fee was charged) exceeds the cumulative Daily Benchmark Return (since the last Calculation Period in which a Performance Fee was charged).

Additionally, if at any time during a given accounting year the Performance Fee accrual has been reduced to zero, no new Performance Fee is accrued until such time as the cumulative Daily Share Class Return (since the last Calculation Period in which a Performance Fee was charged) exceeds the cumulative Daily Benchmark Return (since the last Calculation Period in which a Performance Fee was charged).

The Performance Fee accrued on any valuation day is reflected in the Net Asset Value per Share on the basis of which subscriptions and redemptions may be accepted.

1.6 Performance Fee Redemptions

If a redemption is made from the relevant Share Class as of a valuation day other than the end of a Calculation Period, the Performance Fee (if accrued as of the date of such redemption) shall be crystallized in respect of the Shares being redeemed and paid to the management company. On any valuation day, the "Performance Fee Redemption" is given by the previous valuation day Performance Fee accrual expressed as a percentage of the previous Valuation Day Net Asset Value multiplied by the redemption amount.

1.7 Computation of Performance Fees

Performance Fees are calculated by the Central Administration Agent and audited annually by the independent auditors of the Fund. The Board of Directors may make such adjustments of accruals as it deems appropriate to ensure that the accrual represents fairly and accurately the Performance Fee liability that may eventually be payable by the Sub-Fund or Share Class to the Management Company.

1.8 Payment of Performance Fees

The Performance Fee payable is equal to the Performance Fee accrued at the end of the relevant Calculation Period. Performance Fees payable to the Management Company, or the Investment Manager as the case may be, in any Calculation Period are not refundable in any subsequent Calculation Periods.

In the case of liquidation or merger of a Sub-Fund to which a Performance Fee is applicable, the Performance Fee will be paid on the last valuation day before its liquidation or merger.

1.9 Example of Calculation of Performance Fee

Example of a calculation with a Performance Fee Rate of 10%:

A Share Class with a Daily Share Class Return of +20% compared to a Daily Benchmark Return of +10% will accrue a Daily Performance Fee Accrual of 1% of its Adjusted Net Asset Value (10% of the difference between the Daily Share Class Return and the Daily Benchmark Return).

A Share Class with a Daily Share Class Return of +10% compared to a Daily Benchmark Return of +20% will accrue a Daily Performance Fee Accrual of -1% of its Adjusted Net Asset Value (10% of the difference between the Daily Share Class Return and the Daily Benchmark Return). If the following day, the Share Class has a Daily Share Class Return of +20% compared to a Daily Benchmark Return of +10% it will have a Daily Performance Fee Accrual of 1%, but a total Performance Fee accrual of 0% of its Adjusted Net Asset Value. If the following day, the Share Class has again a Daily Share Class Return of +20% compared to a Daily Benchmark Return of +10% it will have a Daily Performance Fee Accrual of 1%, and a total Performance fee accrual of 1% of its Adjusted Net Asset Value.

The Performance Fee payable is equal to the Performance Fee accrued at the end of the relevant Calculation Period. The calculation methodology includes a perpetual clawback mechanism which ensures that any under-performance versus the Performance Fee Benchmark needs to be recovered before any additional Performance Fee will be accrued.

This methodology implies that a Daily Performance Fee accrual may apply on a day of negative absolute performance as long as the Daily Share Class Return exceeds the Daily Benchmark Return and any under-performance versus the Performance Fee Benchmark has been clawed back.

For the avoidance of doubt, all excess performance shall be calculated net of all cost.

For new UCITS compartments or share classes created during the financial year ESMA stipulates that performance fees should not be crystalized until at least 12 months after the inception.

III) Depositary Fee

The Depositary will receive a depositary fee determined as an annual percentage calculated per market on a monthly basis based on the relevant Sub-Fund's assets and paid monthly in arrears. The Depositary will further receive a supervisory fee of 0.006% p.a. based on the relevant Sub-Fund's assets. The Depositary shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the custody services rendered.

The Depositary Fee does not cover operational costs such as costs of buying and selling securities, transaction fees and correspondent bank charges.

The actual amount paid by the Fund to the Depositary will be disclosed in the annual report of the Fund.

IV) Central Administration Agent, Registrar and Transfer Agent Fee

Out of the Sub-Funds' assets, an administration fee of up to 0.022% p.a. with a minimum annual fee of EUR 20 900 is payable to the Central Administration Agent, Registrar and Transfer Agent. The fees will be accrued on a daily basis, based on the net assets of the relevant Sub-Fund and will be paid out monthly in arrears.

The Central Administration Agent, Registrar and Transfer Agent is furthermore entitled to receive out of the relevant Sub-Fund's assets, in respect of the register and transfer agent functions, further fees for each additional active Class of Shares and for any additional services in accordance with Luxembourg customary banking practice, accrued daily and payable monthly in arrears.

The Central Administration Agent, Registrar and Transfer Agent will also be compensated for all reasonable out of pocket expenses.

The actual amount paid by the Fund to the Central Administration Agent, Registrar and Transfer Agent will be disclosed in the annual report of the Fund.

SFDR Schedule

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

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.

Product name: Espiria Global Innovation **Legal entity identifier:** 529900QPCAVK5P3AQE19

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:** ___%	☒ 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 10% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ 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**

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.

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

The Sub-Fund's investment objective is to achieve significant capital appreciation over the long term. By adopting a sustainability integrated investment process, the Sub-Fund also aims to promote environmental and social characteristics.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the 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 Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. The EQSS framework consists of five segments, Leadership, Market Growth & Opportunities,

Business Strength & Resilience, Fundamentals and Sustainability, where each segment has multiple sub-topics that are scored 1 to 5. A higher (better) score will support a higher portfolio weight, all else equal. As ESG characteristics are included in all key segments of the framework, the Investment Manager is in this way actively promoting holdings with stronger environmental and/or social characteristics and sustainability footprint.

In addition to assessing the quality and sustainability profile of an investment, environmental and social characteristics are promoted through compliance with our sector and norms-based screening criteria. Our norms-based screening aligns with the UN Global Compact and OECD Guidelines for Multinational Enterprises, ensuring adherence to internationally recognized standards. The following sectors are excluded from our investment universe:

1. Prohibited and Controversial Weapons, including nuclear weapons
2. Tobacco
3. Adult Entertainment
4. Gambling
5. Alcohol
6. Fossil fuels

More details on the exclusion criteria are outlined in the Investment Manager's Group ESG Policy.

- ***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?***

In addition to the objective of the Sub-Fund to achieve significant capital appreciation, the Sub-Fund also intends to achieve the following objectives with its sustainable investments:

- *Environmental objectives,* such as improved energy efficiency, increased use of renewable energy, reduced greenhouse gas emissions, and the promotion of a circular economy, as outlined in in Article 2(17) of Regulation (EU) 2019/2088,

- *Social objectives,* such as tackling inequality, fostering social cohesion, social interaction and labour relations, or investments in human capital or economically or socially disadvantaged communities, as outlined in Article 2(17) of Regulation (EU) 2019/2088,

- *Other environmental and social objectives*, as outlined in the UN's Sustainable Development Goals (SDGs).

The sustainable investments contribute to the environmental and social objectives by directly addressing any of the objectives in their operations, by enabling such activities through their goods and services, or by themselves being part of the transition through changing their practices and policies (for example, by reducing greenhouse gas emissions).

Investments are classified as sustainable investments by meeting all criteria in the "Three-Step-Test", which is based on the definition of sustainable investments in Article 2(17) of Regulation (EU) 2019/2088 and is outlined in detail under the section on binding elements of the investment strategy.

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?

The Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. EQSS includes principal adverse impacts (PAI) indicators and Red Flag (RF) questions, covering the ESG topics deemed most critical by the Investment Manager.

The Red Flag Analysis consists of a set of questions which the Investment Manager deems to be crucial to consider for ensuring that investments do not cause significant harm. The questions are related to corporate governance, ethics, and corruption, and also covers international norms and standards, as well as severe and/or systematic environmental or social controversies. The Red Flag Analysis has one question specifically addressing the Principal Adverse Impact (PAI) indicators, which are outlined in Annex I of Regulation (EU) 2019/2088. In order to assess this, the Investment Manager use tools from external service providers that compares the PAI indicators for each company with a range of peer companies.

The EQSS, including the Red Flag Analysis and the assessment of PAI indicators, forms an integral part of the Three-Step-Test applied by the Investment Manager to define sustainable investments. The outcomes of these assessments are necessary to determine whether an investment can successfully meet the relevant steps of the Three-Step-Test, as described in detail in the section on binding elements of the investment strategy.

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

Indicators for adverse impacts are included in the EQSS framework and in the norms-based screening. The Investment Manager periodically reviews the key adverse indicators for the portfolio holdings and will discuss where clear outliers are identified. More information on how the Investment Manager considers principal adverse impacts on sustainability factors can be found in the section on PAI below.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of the controversy (norms-based) screening, the Investment Manager assesses companies in terms of compliance with international norms, standards and underlying conventions. The controversy (norms-based) screening is intended to capture severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. The assessments are underpinned by references to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

Upon a new investment, the Investment Manager shall check and confirm the status of the holding in relation to norms and controversies. The Sub-Fund's portfolio is also checked quarterly by the Investment Manager's ESG function, which highlights any company on the Watchlist or assessed as Non-compliant. This review is based on the results in the norms-based screening, information that has been publicly disclosed by issuers, as well as other relevant information that may have come to the attention of the Investment Manager.

According to the Investment Manager's "Three-Step-Test", holdings that are classified as sustainable investments must not be assessed as Non-Compliant in the norms-based screening.

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?

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.

✖ *Yes,* principal adverse impacts (PAI) indicators are considered by the Sub-Fund.

Upon a new investment, the Investment Manager checks and confirms the status of new holdings in regard to norms and controversies. This norms-based (controversy) screening covers PAI indicators such as violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or lack of processes and compliance mechanisms to monitor compliance with those regulations, and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

Furthermore, all 14 mandatory PAI indicators, as stated in Annex I of Regulation (EU) 2018/2088, are currently assessed at holding level to the extent that data is available, in both absolute terms and in comparison with industry peers, as part of the investment process and the holistic assessment of company quality. The team reviews the most up to date PAI data extracted from service providers' databases and ensures that selected investments are not outliers in any of their actual PAI performances.

Following the requirements of Regulation (EU) 2019/2088, and the information to be disclosed pursuant to Article 11(2) of that Regulation, the Investment Manager will publish the information on principal adverse impacts on sustainability factors in the annual report referred to in Article 69 of Directive 2009/65/EC in due course and in line with regulatory requirements.

☐ *No*

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund's investment objective is to achieve significant capital appreciation over the long term. The Sub-Fund will invest directly or indirectly at least 80% of its net assets in global markets equities, including emerging markets equities, and equity-related securities or depositary receipts representing such global market equities. The Sub-Fund intends to focus on investments in companies related to technologies (including but not limited to technology, media and communication services).

The Investment Manager selects investments based on an active and primarily bottom-up approach, including an assessment of each company's (or issuer's) quality and sustainability profile through the EQSS framework (outlined below).

- ***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?***

- *Ensure minimum environmental or social safeguards,* the Fund will not enter new position in securities of companies identified to be accountable for severe controversies related to international norms and conventions where the initial assessment indicates low feasibility for engagement, and will divest from holdings assessed as Non-Compliant if the breach is based on events that occurred after the time of the first investment (or information about the events has been made available thereafter) and the company is not deemed as having taken or taking adequate measures;

- *Sector exclusions*, the Fund will not invest in companies that involve in prohibited and controversial weapons including nuclear weapons, it also will not invest in companies with material revenues from fossil fuels, pornography, gambling, alcohol, or tobacco, as detailed in the Investment Manager's Group ESG Policy;
- *No significant harm to other E/S objectives*, The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also takes consideration of principal adverse impacts (PAI);
- *Good governance practices*, The investment should not have more than 2 RFs related to governance issues. This is a requirement for investments that align with environmental and social (E/S) characteristics but is not necessary for investments categorized as "other."

Minimum proportion of sustainable investments

The Investment Manager has committed to ensuring a minimum proportion of 10% sustainable investments in the Sub-Fund portfolio. While the EQSS framework is the primary framework used by the Investment Manager for assessing company quality, including sustainability related factors, the Investment Manager has also developed a "Three-Step-Test", based on the definition of sustainable investments in Article 2(17) in Regulation (EU) 2019/2088[1], to test if an investment should be classified as sustainable or not. To be classified as a "Sustainable Investment", the investment should pass each of the below outlined steps. Contribution is calculated through our proprieatary SDG Value chain analysis (SDG VCA). The VCA tool rates companies on a five-point scale from strong positive impact to strong negative impact, considering factors like materiality, intentionality, additionality, and criticality. To ensure no significant harm, the tool also evaluates if a company's activities are misaligned with any SDGs. Companies must score at least 25 out of 100 to be included in the portfolio, ensuring that all holdings contribute positively to SDG outcomes and do not significantly harm environmental or social objectives.

Three-Step-Test for Sustainable Investments

Step 1: Contribution to E/S objective(s)

Companies which contribute to one or several of the UN SDGs in their offering of products, and technologies, or through positive contribution to SDG outcomes across the value chain. When the Investment Manager has identified potential investment ideas, different sustainability aspects are discussed and the SDG Value Chain Assessment (VCA) is completed, as outlined in detail above. The score is a

[1] Sustainable investment, as defined in Article 2(17) in Regulation (EU) 2019/2088, means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

simple average of the current and forward-looking impact on the SDGs. The Sub-Fund will invest in companies with an SDG VCA Score of at least 25, i.e., in companies that are deemed to contribute positively to the UN SDGs.

Step 2: No significant harm to other E/S objectives

The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also requires consideration of principal adverse impacts (PAI). The investment must be Compliant in the controversy (norms-based) and the sector-based screening.[2]

Step 3: Good governance practices

The investment should not have more than 2 RFs related to governance issues.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the investment universe. However, sector exclusions, norms-based considerations and ESG quality standards requirements do entail a significant reduction of the investment universe.

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 Investment Manager relies on the Red Flag Analysis within the EQSS framework to assess good governance practices, including high level of management integrity, board independence and diversity, accounting quality, sustainability report transparency and no recurring significant governance controversies.

Additional governance assessment topics in the EQSS framework will be applied over time, including management remuneration and incentive alignment, employee relationship, pay equality, sustainability strategy alignment, sustainability commitment/oversight, and engagement potential.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Sub-Fund will invest directly or indirectly at least 80% of its net assets in global markets equities, including emerging markets equities, and equity-related securities or depositary receipts representing such global market equities.

While the Sub-Fund does not have sustainable investments as its objective, the Sub-Fund seeks to promote environmental or social characteristics, or a combination of those, provided that the companies in which the investments are made follow good governance practices. At least 20% of the investments of the Sub-Fund will be aligned with the environmental and social characteristics promoted. A minimum proportion of 10% of total investments are classified as sustainable in the "Three-Step-Test", in accordance with the binding elements of the investment strategy.

The Investment Manager strives for a balanced distribution between environmental and social objectives for sustainable investments, since the UN SDGs address both of these

2 For the purpose of this test, companies involved in the following sectors cannot be classified as sustainable: weapons, tobacco, pornography, gambling, alcohol and fossil fuels (unless taxonomy aligned).

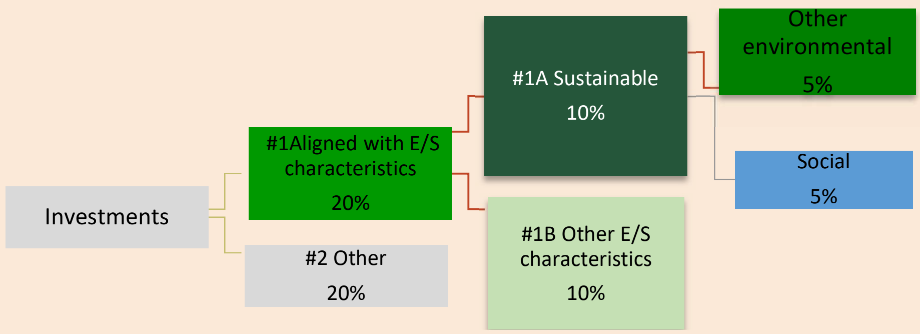
factors and it is believed that both environmental and social characteristics must be promoted in order to achieve long term sustainable development. As such, the minimum proportion of investments that promote environmental characteristics or social characteristics are, respectively, 5%.

Investments categorised as "#1B Other E/S characteristics" are defined as investments in companies that do not currently qualify as sustainable investments but meet the binding elements applied to attain the environmental and/or social characteristics promoted by the financial product.

#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 purpose and minimum safeguards of other investments ("#2 Other") are described in detail below.

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.

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

  The Sub-Fund does not use derivatives to attain the environmental or social characteristics promoted by the financial product.

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

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[3]?**

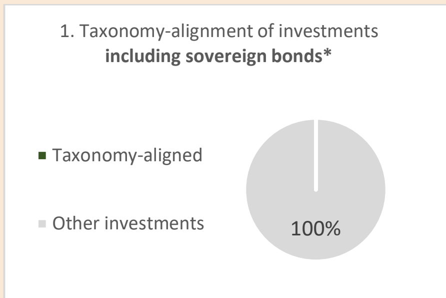
  ☐ Yes:

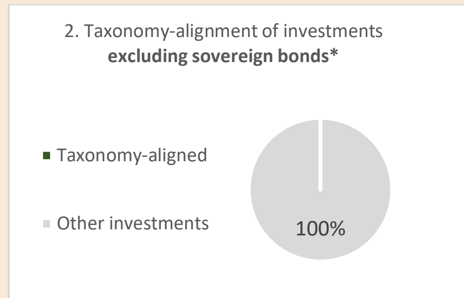
  ☐ In fossil gas ☐ In nuclear energy

[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 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.

✖ 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***

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.

The EU Taxonomy is a classification system, the purpose of which is to establish common criteria for environmentally sustainable economic activities. According to EU regulations, financial market participants should disclose the proportion of investments that are Taxonomy-aligned. However, the Taxonomy is currently under development, and the criteria for all the environmental objectives have not yet been implemented. Further, there is not yet any clearly established model and/or standard for how to calculate the proportion of Taxonomy-aligned investments. Lastly, company disclosure related to the EU Taxonomy has yet to become widespread. Therefore, as of now, the Sub-Fund is committed to 0% as the minimum proportion of investments that are aligned with the EU Taxonomy for environmentally sustainable investments.

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

As the minimum share of investments in Taxonomy-aligned activities is 0%, the Investment Manager will likewise commit to 0% as the minimum proportion of investments in transitional and enabling activities, respectively.

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?

For reasons outlined above, the minimum proportion of investments in economic activities that are defined as environmentally sustainable according to the EU Environmental Taxonomy is 0%. The disclosure is therefore only focused on investments in environmental economic activities that are sustainable according to Article 2(17) in Regulation (EU) 2019/2088.

The Management Company and the Investment Manager will generally seek a balanced distribution between environmental and social objectives among the Sub-Fund's sustainable investments. The Sub-Fund is committed to a minimum proportion of 5% of total investments that are classified as sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Sub-Fund is committed to a minimum proportion of 5% of total investments that are classified as sustainable investments with a social objective.

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

There are two main purposes of investments included under "#2 Other":

- The Sub-Fund generally maintains a varied level of *cash allocation* in order to manage necessary fund liquidity; and
- The Sub-Fund may consider certain investments with a *compelling investment rationale* that have Red Flags connected to Environmental or social controversies and/or more than two Red flags related to governance issues.
- All investments must fulfil the minimum environmental or social safeguards criteria covered by the EQSS framework, as described above. This means, no investments will be made into certain sectors, and no new investments will be made into holdings deemed Non-Compliant in the controversy (norms-based) screening.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.espiria.se.

Further information is also found in the Annual Sustainable Investment Report.

For specific questions regarding this pre-contractual disclosure the East Capital Group ESG function can be contacted at esg@eastcapital.com.

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.

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Espiria Hållbar Framtid **Legal entity identifier:** 5299003AK8NV14B44W83

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**[4]	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective:** 10%	☐ 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 ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ 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:** 10%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The Sub-Fund's objectives are long-term capital growth and positive contribution to the UN´s Sustainable Development Goals (SDGs).

The Sub-Fund's underlying philosophy is that all companies can and should have such positive contribution to SDGs outcomes across their value chains, even if the revenue alignment is not fully obvious. Hence, the Investment Manager makes use of a proprietary tool, the SDG Value Chain Assessment Tool ("the SDG VCA Tool"). The tool identifies the two SDGs that are most material to a company's value chain and looks at material ESG metrics given its economic as well as revenue alignment, to assess how a company's activities impact those SDGs. This is done on a current and forward-looking basis. In order to be classified as having a positive impact, the Investment Manager requires that:

1 - The Sub-Fund will maintain a minimum aggregate allocation of 90% to sustainable investments with environmental and/or social objectives, with flexibility to allocate between different types of sustainable investments based on availability and attractiveness of opportunities.

1. The company's products or services contribute to SDG outcomes, e.g., production of wafers for solar panels or a significant proportion of lending to underbanked communities; and/or
2. The company's value chain is being managed in a way that has clear positive impacts on SDG outcomes, e.g., a large proportion of renewable energy for power supply or lower water withdrawal intensity than peers,

The Investment Manager's assessment is that the SDG outcomes are broadly evenly split between environmental and social objectives, as follows. This ensures that the Sub-Fund addresses both social and environmental objectives, which is described in more detail in the section about the Sub-Fund's asset allocation.

	SDG	Environmental or social objective
1	No poverty	Social
2	Zero hunger	Social
3	Good health	Social
4	Quality education	Social
5	Gender equality	Social
6	Clean water	Environment
7	Clean energy	Environment
8	Decent work	Social
9	Industry innovation	Social
10	Reduced inequalities	Social
11	Sustainable cities	Environment
12	Responsible consumption & production	Environment
13	Climate action	Environment
14	Life below water	Environment
15	Life on land	Environment
16	Peace institutions	Social

The Tool uses a simple five-point rating system: strong positive impact, weak positive impact, neutral impact, weak negative impact, strong negative impact. Impact is assessed using the four principles identified below:

Principle	Question
Materiality	Are the impact categories material to the company's business?
Intentionality	Does the company intend to have a positive impact through its products or services?
Additionality	Does the service/product offer a tangible sustainability benefit that would not have otherwise occurred, i.e., does the company go beyond industry norms?
Criticality	Is the product or service critical to accomplishing a particular sustainability aim?

Activities meeting one or two of these principles would be given a weak positive impact rating, whereas those meeting three or four would get a strong positive impact rating. As part of the Sub-Fund's processes to ensure no significant harm, the Tool also considers whether the company's activities are significantly misaligned with any of the SDGs.

As such, the VCA Tool produces a score from -100 to +100. The score is a simple average of the current impact and expected impact over the next three to five years for the two material SDGS. For each of these four parts of the tool, 100 is given for strong positive impact, 50 for weak positive impact, zero is given for neutral impacts, -50 for weak negative impact and -100 for strong negative impact.

The Sub-Fund will only invest in companies with a score of 25 or over. As such, the Investment Manager considers that all holdings drive net positive SDG outcomes across their value chains. The Sub-Fund is also committed to have a total minimum proportion of 90% sustainable investments with an environmental and/or a social objective, as defined in Article 2(17) of Regulation (EU) 2019/2088. More information on sustainable investments is found in the section about the binding elements of the Sub-Fund.

A reference benchmark has not been designated for the purpose of attaining the sustainable investment objective pursued by the Sub-Fund.

- ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

In addition to the sustainability indicators in the EQSS (see explanation below), the Sub-Fund uses a proprietary tool called the SDG Value Chain Assessment (VCA). The Tool identifies the two most material SDGs for a given company and requires an assessment of how that company's activities impact these SDGs, both currently and forward-looking. The SDG VCA Tool is discussed above, in the section about the Sub-Fund's sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

- ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager ensures that sustainable investments do not cause significant harm through the Red Flag Analysis, the norms-based (controversy) screening, and sector-based screening, which are all part of the "Three-Step-Test" for defining sustainable investments and are integrated into the EQSS assessment framework. This Test, including its environmental and social safeguards, is described below in the section about binding elements of the investment strategy. The Investment Manager ensures that a sustainable investment does not cause significant harm through the EQSS and the SDG VCA tool as described below:

1. EQSS Do-No-Significant-Harm (DNSH) Assessment

The Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. EQSS includes principal adverse impacts (PAI) indicators and a set of Red Flag (RF) questions, covering the ESG topics deemed most critical by the Investment Manager. The Red Flag Analysis consists of a set of questions which the Investment Manager deems to be crucial to consider for ensuring that investments do not cause significant harm. The questions are related to corporate governance, ethics, and corruption, and compliance to international norms and standards, as well as severe and/or systematic environmental or social controversies, as well as one question specifically addressing the Principal Adverse Impact (PAI) indicators, which are outlined in Annex I of Regulation (EU) 2019/2088. In order to assess this, the Investment Manager use tools from external service providers that compares the PAI indicators for each company with a range of peer companies.

This tool is also part of the "Three-Step-Test" applied by the Investment Manager for defining sustainable investments, described in detail in the section about binding elements of the investment strategy.

2. ***SDG Value Chain Assessment***

The VCA tool rates companies on a five-point scale from strong positive impact to strong negative impact, considering factors like materiality, intentionality, additionality, and criticality. To ensure no significant harm, the tool also evaluates if a company's activities are misaligned with any SDGs. Companies must score at least 25 out of 100 to be included in the portfolio, ensuring that all holdings contribute positively to SDG outcomes and do not significantly harm environmental or social objectives.

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

Indicators for adverse impacts are included in the EQSS framework and in the norms-based screening process. The Investment Manager periodically reviews the adverse indicators for the portfolio holdings and will discuss where clear outliers are identified. More information on how the Investment Manager considers principal adverse impacts on sustainability factors can be found in the section on PAI below.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

As part of the controversy (norms-based) screening, the Investment Manager assesses companies in terms of compliance with international norms and standards. This screening, captures severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. Assessments are underpinned by references to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

Upon a new investment, the Investment Manager shall check and confirm the status of the holding in relation to norms and controversies as part of the Red Flag Analysis. The ESG function also verifies the compliance of holdings in the Sub-Fund portfolio on a quarterly basis, this process highlights any company identified on the Watchlist or assessed as Non-compliant, as defined by East Capital Group ESG Policy. The review takes into account information from service providers, information publicly disclosed by issuers, and any other relevant information that may have come to the attention of the Investment Manager.

The Sub-Fund will not invest in or hold any company that is deemed Non-Compliant according to the Investment Manager's assessment.

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.

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.

Does this financial product consider principal adverse impacts on sustainability factors?

✖ *Yes,* the Sub-Fund considers principal adverse impacts (PAI) on sustainability factors.

Upon a new investment, the Investment Manager checks and confirms the status of new holdings in regard to norms and controversies. This norms-based (controversy) screening covers PAI indicators such as violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or lack of processes and compliance mechanisms to monitor compliance with those regulations, and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

Furthermore, all 14 mandatory PAI indicators, as stated in Annex I in Regulation (EU) 2018/2088, are currently assessed at holding level to the extent that data are available, in both absolute terms and in comparison with industry peers, as part of the investment process and the holistic assessment of company quality. The analysts review the most up to date PAI data extracted from service providers' databases and ensure that selected investments are not outliers in any of their actual PAI performances.

Following the requirements of Regulation (EU) 2019/2088, and the information to be disclosed pursuant to Article 11(2) of that Regulation, the Investment Manager will publish the information on principal adverse impacts on sustainability factors in the annual report referred to in Article 69 of Directive 2009/65/EC in due course and in line with regulatory requirements.

☐ *No*

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Sub-Fund's objective is to achieve significant capital appreciation over the long term by investing in companies that actively contribute to a sustainable future. This includes:

The fund targets firms that provide solutions to environmental and social challenges, businesses that contribute to the UN Sustainable Development Goals, and enterprises making measurable progress in adopting sustainable practices. By focusing on these areas, the fund seeks to support companies that offer concrete solutions and demonstrate responsible operations and continuous improvement towards a sustainable future.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The sustainable investment objective is integrated into all stages of the investment process, with the following binding elements:

1. Controversy (norms-based) and sector-based screening

When selecting themes or potential names to invest in, the Investment Manager first excludes sectors that are deemed to have an unacceptably high risk of causing significant harm to the environmental or social objectives of the Sub-Fund; The Sub-fund will not invest in companies that are involved in prohibited and controversial weapons including nuclear weapons, as well as firearms or arms ammunition to civilian customers, weapons systems including integrated components, and military technologies or services enabling offensive capabilities.[5] The Sub-fund also excludes fossil fuels, tobacco, gambling, pornography and alcohol. The Fund also adheres to the exclusion criteria associated with the Paris-Aligned Benchmark (PAB) as outlined in the ESMA Guidelines on fund names using ESG or sustainability-related terms. For detailed information on these exclusion criteria, please refer to the Investment Manager's Group ESG policy. Companies considered in breach of the UN Global Compact principles and other international norms are also screened out in the norms-based screening, as discussed above. Also, no investments are made in companies that have more than 2 Red Flags in the Red Flag Analysis. In terms of investment ideas and themes, the Investment Manager looks for alignment with the UN SDGs, for example energy storage, inclusive finance or healthcare.

2. SDG VCA Tool Score of at least 25

When the Investment Manager has identified potential investment ideas, different sustainability aspects are discussed and the Sustainable Development Goals (SDG) Value Chain Assessment (VCA) is completed, as outlined in detail above. The score is a simple average of the current and forward-looking impact on the SDGs. The Sub-Fund will invest in companies with an SDG VCA Score of at least 25, i.e., in companies that are deemed to contribute positively to the UN SDGs.

3. Company is classified as sustainable as per the Three-step-test

In order to attain the sustainable investment objective, the Sub-Fund is committed to have a minimum proportion of 90% sustainable investments with an environmental and/or a social objective. To be classified as a sustainable investment, i.e., 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, as outlined in Article 2(17) of Regulation (EU) 2019/2088, a company must satisfy all of the following criteria:

Three-Step-Test for Sustainable Investments

[5] This exclusion criterion is intended to ensure alignment with an updated and expanded interpretation of defence-related activities, encompassing a broader range of activities than those captured under the conventional definition of weapons in generally accepted market practice

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Step 1: Contribution to E/S objective(s)

Companies which contribute to one or several of the UN SDGs in their offering of products, and technologies, or through positive contribution to SDG outcomes across the value chain. When the Investment Manager has identified potential investment ideas, different sustainability aspects are discussed and the SDG Value Chain Assessment (VCA) is completed, as outlined in detail above. The score is a simple average of the current and forward-looking impact on the SDGs. The Sub-Fund will invest in companies with an SDG VCA Score of at least 25, i.e., in companies that are deemed to contribute positively to the UN SDGs.

Step 2: No significant harm to other E/S objectives

As part of the EQSS framework, the identified *primary negative impact for the company must not be expected to significantly harm* the contribution of the company towards environmental or social objectives. Potential negative impacts should either be actively mitigated by the company, or the Investment Manager should have conviction that active engagement with the company will lead to meaningful mitigation of identified impacts.

Furthermore, a sustainable investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also requires consideration of principal adverse impacts (PAI). Finally, the investment must be compliant in the controversy (norm-based) and the sector-based screening.[6]

Step 3: Good governance practices

The company should not have more than 2 RFs related to governance issues.

- ***What is the policy to assess good governance practices of the investee companies?***

Currently the Investment Manager relies mainly on the Red Flag Analysis under the EQSS framework to assess good governance practices, including high level of management integrity, board independence and diversity, accounting quality, sustainability reporting transparency, and no recurring significant governance controversies.

Additional governance assessment topics in the EQSS framework will be applied over time, including management remuneration and incentive alignment, employee relationship, pay equality, sustainability strategy alignment, sustainability commitment/oversight, and engagement potential

Asset allocation describes the share of investments in specific assets.

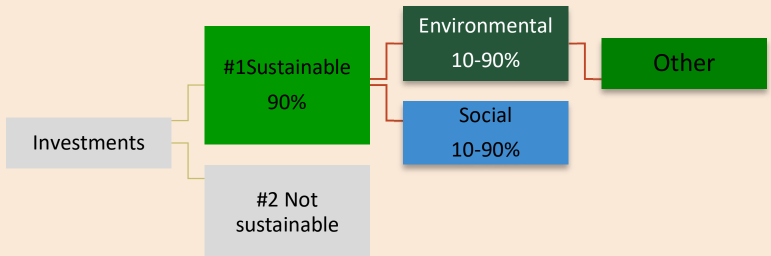
What is the asset allocation and the minimum share of sustainable investments?

The Sub-Fund’s objectives are long-term capital growth and positive contribution to the UN’s Sustainable Development Goals (SDGs). As such, a minimum proportion of 90% of total investments are classified as sustainable in the Investment Manager’s "Three-Step-Test" (outlined in the section above about binding elements of the investment strategy).

The Investment Manager strives to make sustainable investments with both environmental and social objectives, since the UN SDGs address both of these factors and it is believed that both environmental and social characteristics must be promoted in order to achieve long term sustainable development. The purpose and minimum safeguards of other

[6] For the purposes of this test, **companies involved in the following sectors cannot be classified as sustainable**: weapons, tobacco, pornography, gambling, alcohol and fossil fuels (unless taxonomy aligned).

investments are described in detail in the section about investments classified as "#2 Not sustainable" below.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

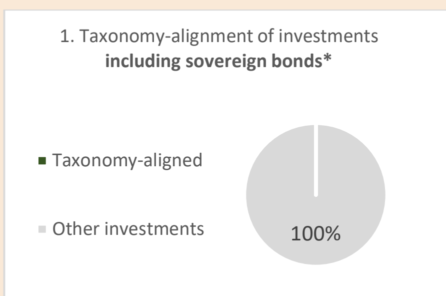
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

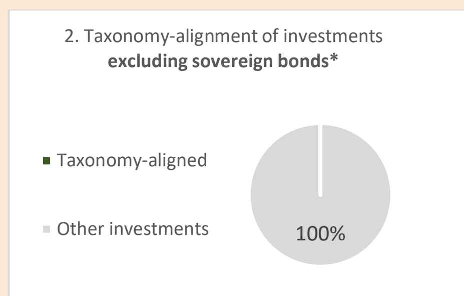
How does the use of derivatives attain the sustainable investment objective?

The Sub-Fund does not use derivatives to attain the sustainable investment objective.

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

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***

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.

The EU Taxonomy is a classification system, the purpose of which is to establish common criteria for environmentally sustainable economic activities. According to EU regulations, financial market participants should disclose the proportion of investments that are Taxonomy-aligned. However, the Taxonomy is currently under development, and the criteria for all the environmental objectives have not yet been implemented. Further, there is not yet any clearly established model and/or standard for how to calculate the proportion of Taxonomy-aligned investments. Lastly, company disclosure related to the EU Taxonomy has yet to become widespread. Therefore, as of now, the Sub-Fund is committed to 0% as the minimum proportion of investments that are aligned with the EU Taxonomy for environmentally sustainable investments.

The Investment Manager follows the development and implementation of the EU Taxonomy closely, and will reassess this decision once all the criteria for the environmental objectives have been implemented and companies' Taxonomy disclosures have become more widespread. Having said this, it is expected that a considerable proportion of the investments in the Sub-Fund will eventually be Taxonomy-aligned.

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

As the minimum share of investments in Taxonomy-aligned activities is 0%, the Investment Manager will likewise commit to 0% as the minimum proportion of investments in transitional and enabling activities, respectively.

are environmentally sustainable investments 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?

For reasons outlined above, the minimum proportion of investments in economic activities that are defined as environmentally sustainable according to the EU Environmental Taxonomy is 0%.

The Sub-Fund will invest at least 10% in sustainable investments with an environmental objective that are not aligned to the EU Taxonomy. Subject to this minimum, the Sub-Fund may flexibly allocate between the different types of sustainable investments based on availability and attractiveness of investment opportunities, whilst keeping the aggregate allocation to sustainable investments with environmental and/or social objectives to a minimum of 90%.

What is the minimum share of sustainable investments with a social objective?

The Sub-Fund will invest at least 10% in sustainable investments with a social objective. Subject to this minimum, the Sub-Fund may flexibly allocate between the different types of sustainable investments based on availability and attractiveness of investment opportunities, whilst keeping the aggregate allocation to sustainable investments with environmental and/or social objectives to a minimum of 90%.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The purpose of the Sub-Fund's investments included under "#2 Not sustainable" is to hold necessary ancillary liquidity, in accordance with guidance from the European Commission (SFDR EC Q&A 14/07/21). The Investment Manager is of the opinion that these investments do not hinder the Sub-Fund from delivering on its sustainable investment objectives on a continuous basis. The investment manager can make an investment that has not yet been confirmed to contribute to a sustainable objective. The purpose of allowing "# Not sustainable" investments is that they contribute positively to the fund through risk diversification, enhancing the fund's overall risk-adjusted return over time. This flexibility allows the fund to potentially capitalize on emerging opportunities that align with its long-term goals, while maintaining a diversified portfolio that optimizes returns and manages risk effectively.

All investments must fulfill the minimum environmental or social safeguards criteria within the Investment Manager's EQSS framework. For example, no investments will be made into certain sectors, and no investments will be made into holdings deemed Non-Compliant in the controversy (norms-based) screening. The safeguards criteria are reviewed on a monthly basis.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.espiria.se

Further information is also found in the Investment Manager's Annual Sustainable Investment Report.

For specific questions regarding this pre-contractual disclosure, the East Capital Group ESG function can be contacted at esg@eastcapital.com.

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: Espiria 90 **Legal entity identifier:** 529900E0C70SCBZJDE05

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental 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 10% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ 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**

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

The Sub-Fund's investment objective is to achieve a combination of income and long-term capital appreciation. By adopting a sustainability integrated investment process, the Sub-Fund also aims to promote environmental and social characteristics.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the 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 Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. The EQSS framework consists of five segments, Leadership, Market Growth & Opportunities,

Business Strength & Resilience, Fundamentals and Sustainability, where each segment has multiple sub-topics that are scored 1 to 5. A higher (better) score will support a higher portfolio weight, all else equal. As ESG characteristics are included in all key segments of the framework, the Investment Manager is in this way actively promoting holdings with stronger environmental and/or social characteristics and sustainability footprint.

In addition to assessing the quality and sustainability profile of an investment, environmental and social characteristics are promoted through compliance with our sector and norms-based screening criteria. Our norms-based screening aligns with the UN Global Compact and OECD Guidelines for Multinational Enterprises, ensuring adherence to internationally recognized standards. The following sectors are excluded from our investment universe:

1. Prohibited and Controversial Weapons, including nuclear weapons
2. Tobacco

~~2.~~3. Adult Entertainment
~~2.~~4. Gambling
~~2.~~5. Alcohol
~~2.~~6. Fossil fuels

More details on the exclusion criteria are outlined in the Investment Manager's Group ESG Policy.

- ***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?***

In addition to the objective of the Sub-Fund to achieve significant capital appreciation, the Sub-Fund also intends to achieve the following objectives with its sustainable investments:

- *Environmental objectives,* such as improved energy efficiency, increased use of renewable energy, reduced greenhouse gas emissions, and the promotion of a circular economy, as outlined in in Article 2(17) of Regulation (EU) 2019/2088,

- *Social objectives,* such as tackling inequality, fostering social cohesion, social interaction and labour relations, or investments in human capital or economically or socially disadvantaged communities, as outlined in Article 2(17) of Regulation (EU) 2019/2088,

- *Other environmental and social objectives*, as outlined in the UN's Sustainable Development Goals (SDGs).

The sustainable investments contribute to the environmental and social objectives by directly addressing any of the objectives in their operations, by enabling such activities through their goods and services, or by themselves being part of the transition through changing their practices and policies (for example, by reducing greenhouse gas emissions).

Investments are classified as sustainable investments by meeting all criteria in the "Three-Step-Test", which is based on the definition of sustainable investments in Article 2(17) of Regulation (EU) 2019/2088 and is outlined in detail under the section on binding elements of the investment strategy.

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?

The Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. EQSS includes principal adverse impacts (PAI) indicators and Red Flag (RF) questions, covering the ESG topics deemed most critical by the Investment Manager.

The Red Flag Analysis consists of a set of questions which the Investment Manager deems to be crucial to consider for ensuring that investments do not cause significant harm. The questions are related to corporate governance, ethics, and corruption, and also covers international norms and standards, as well as severe and/or systematic environmental or social controversies. The Red Flag Analysis has one question specifically addressing the Principal Adverse Impact (PAI) indicators, which are outlined in Annex I of Regulation (EU) 2019/2088. In order to assess this, the Investment Manager use tools from external service providers that compares the PAI indicators for each company with a range of peer companies.

The EQSS, including the Red Flag Analysis and the assessment of PAI indicators, forms an integral part of the Three-Step-Test applied by the Investment Manager to define sustainable investments. The outcomes of these assessments are necessary to determine whether an investment can successfully meet the relevant steps of the Three-Step-Test, as described in detail in the section on binding elements of the investment strategy.

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

Indicators for adverse impacts are included in the EQSS framework and in the norms-based screening. The Investment Manager periodically reviews the key adverse indicators for the portfolio holdings and will discuss where clear outliers are identified. More information on how the Investment Manager considers principal adverse impacts on sustainability factors can be found in the section on PAI below.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of the controversy (norms-based) screening, the Investment Manager assesses companies in terms of compliance with international norms, standards and underlying conventions. The controversy (norms-based) screening is intended to capture severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. The assessments are underpinned by references to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

Upon a new investment, the Investment Manager shall check and confirm the status of the holding in relation to norms and controversies. The Sub-Fund's portfolio is also checked quarterly by the Investment Manager's ESG function, which highlights any company on the Watchlist or assessed as Non-compliant. This review is based on the results in the norms-based screening, information that has been publicly disclosed by issuers, as well as other relevant information that may have come to the attention of the Investment Manager.

According to the Investment Manager's "Three-Step-Test", holdings that are classified as sustainable investments must not be assessed as Non-Compliant in the norms-based screening.

Does this financial product consider principal adverse impacts on sustainability factors?

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.

✖ *Yes,* principal adverse impacts (PAI) indicators are considered by the Sub-Fund.

Upon a new investment, the Investment Manager checks and confirms the status of new holdings in regard to norms and controversies. This norms-based (controversy) screening covers PAI indicators such as violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or lack of processes and compliance mechanisms to monitor compliance with those regulations, and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

Furthermore, all 14 mandatory PAI indicators, as stated in Annex I of Regulation (EU) 2018/2088, are currently assessed at holding level to the extent that data is available, in both absolute terms and in comparison with industry peers, as part of the investment process and the holistic assessment of company quality. The team reviews the most up to date PAI data extracted from service providers' databases and ensures that selected investments are not outliers in any of their actual PAI performances.

Following the requirements of Regulation (EU) 2019/2088, and the information to be disclosed pursuant to Article 11(2) of that Regulation, the Investment Manager will publish the information on principal adverse impacts on sustainability factors in the annual report referred to in Article 69 of Directive 2009/65/EC in due course and in line with regulatory requirements.

☐ *No*

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.

What investment strategy does this financial product follow?

The Sub-Fund's investment objective is to achieve a combination of income and long-term capital appreciation. The Fund is balanced and invests in both equity (around 90%) and fixed income (around 10%). Within equities, the investment strategy is focused on quality companies exposed to structural trends led by innovation and sustainability. Within

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

fixed income, the investment strategy is focused on Nordic fixed income instruments, mainly corporate bonds.

The Investment Manager selects investments based on an active and primarily bottom-up approach, including an assessment of each company's (or issuer's) quality and sustainability profile through the EQSS framework (decribed in detail below).

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?

- *Ensure minimum environmental or social safeguards,* the Fund will not enter new position in securities of companies identified to be accountable for severe controversies related to international norms and conventions where the initial assessment indicates low feasibility for engagement, and will divest from holdings assessed as Non-Compliant if the breach is based on events that occurred after the time of the first investment (or information about the events has been made available thereafter) and the company is not deemed as having taken or taking adequate measures;

- *Sector exclusions*, the Fund will not invest in companies that involve in prohibited and controversial weapons including nuclear weapons, it also will not invest in companies with material derive >5% of their revenues from weapons, fossil fuels, pornography, gambling, alcohol, or tobacco

- *No significant harm to other E/S objectives*, The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also takes consideration of principal adverse impacts (PAI);

- *Good governance practices*, The investment should not have more than 2 RFs related to governance issues. This is a requirement for investments that align with environmental and social (E/S) characteristics but is not necessary for investments categorized as "other."

Minimum proportion of sustainable investments

The Investment Manager has committed to ensuring a minimum proportion of 10% sustainable investments in the Sub-Fund portfolio. While the EQSS framework is the primary framework used by the Investment Manager for assessing company quality, including sustainability related factors, the Investment Manager has also developed a "Three-Step-Test", based on the definition of sustainable investments in Article 2(17) in Regulation (EU) 2019/2088[7], to test if an investment should be classified as sustainable or not. To be classified as a "Sustainable Investment", the investment should pass each of the below outlined steps. Contribution is calculated through our proprieatary SDG Value chain analysis (SDG VCA). The VCA tool rates companies on a five-point scale from strong positive impact to strong negative

[7] Sustainable investment, as defined in Article 2(17) in Regulation (EU) 2019/2088, means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

impact, considering factors like materiality, intentionality, additionality, and criticality. To ensure no significant harm, the tool also evaluates if a company's activities are misaligned with any SDGs. Companies must score at least 25 out of 100 to be included in the portfolio, ensuring that all holdings contribute positively to SDG outcomes and do not significantly harm environmental or social objectives.

Three-Step-Test for Sustainable Investments

Step 1: Significant contribution to E/S objective(s)

Companies which contribute to one or several of the UN SDGs in their offering of products, and technologies, or through positive contribution to SDG outcomes across the value chain When the Investment Manager has identified potential investment ideas, different sustainability aspects are discussed and the SDG Value Chain Assessment (VCA) is completed, as outlined in detail above. The score is a simple average of the current and forward-looking impact on the SDGs. The Sub-Fund will invest in companies with an SDG VCA Score of at least 25, i.e., in companies that are deemed to contribute positively to the UN SDGs.

Or

Bonds that are Sustainability Linked or where the use of proceeds contribute to environmental or social objectives, and where the bond follow the respective bond principles and guidances issued by International Capital Market Association (ICMA) and are verified by a third party.

- *Green Bonds:* enable capital-raising and investment for new and existing projects with environmental benefits.
- *Social Bonds:* use of proceeds bonds that raise funds for new and existing projects with positive social outcomes. For example, build-out of telecom infrastructure in developing markets, microfinancing to under-banked population such as women in low income countries
- *Sustainability Bonds:* proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects.
- *Sustainability-Linked Bonds:* funding and encouraging companies that contribute to sustainability (from an environmental and/or social and/or governance perspective).

Step 2: No significant harm to other E/S objectives

The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also requires consideration of principal adverse impacts (PAI). The investment must be Compliant in the controversy (norm-based) and the sector-based screening. [8]

Step 3: Good governance practices

The investment should not have more than 2 RFs related to governance issues.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

[8] For the purposes of this test, **companies involved in the following sectors cannot be classified as sustainable**: weapons, tobacco, pornography, gambling, alcohol and fossil fuels (unless taxonomy aligned).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

There is no committed minimum rate to reduce the scope of the investment universe. However, sector exclusions, norms-based considerations and ESG quality standards requirements do entail a significant reduction of the investment universe.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager relies on the Red Flag Analysis within the EQSS framework to assess good governance practices, including high level of management integrity, board independence and diversity, accounting quality, sustainability report transparency and no recurring significant governance controversies.

Additional governance assessment topics in the EQSS framework will be applied over time, including management remuneration and incentive alignment, employee relationship, pay equality, sustainability strategy alignment, sustainability commitment/oversight, and engagement potential.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Fund is invested in global equities and fixed income with a focus on Nordic corporate bonds.

While the Sub-Fund does not have sustainable investments as its objective, the Sub-Fund seeks to promote environmental or social characteristics, or a combination of those, provided that the companies in which the investments are made follow good governance practices. At least 20% of the investments of the Sub-Fund will be aligned with the environmental and social characteristics promoted. A minimum proportion of 10% of total investments are classified as sustainable in the "Three-Step-Test", in accordance with the binding elements of the investment strategy.

The Investment Manager strives for a balanced distribution between environmental and social objectives for sustainable investments, since the UN SDGs address both of these factors and it is believed that both environmental and social characteristics must be promoted in order to achieve long term sustainable development. As such, the minimum proportion of investments that promote environmental characteristics or social characteristics are, respectively, 5%.

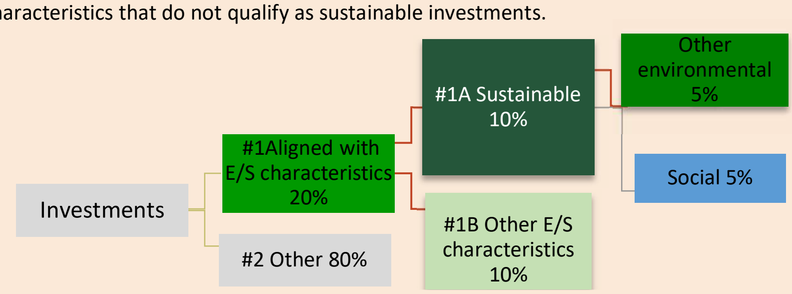
Investments categorised as "#1B Other E/S characteristics" are defined as investments in companies that do not currently qualify as sustainable investments but meet the binding elements applied to attain the environmental and/or social characteristics promoted by the financial product.

The purpose and minimum safeguards of other investments ("#2 Other") are described in detail below.

#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.



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

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

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

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[9]?**

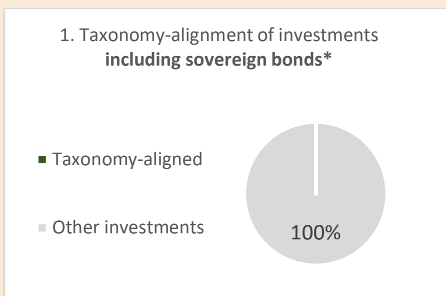
☐ Yes:

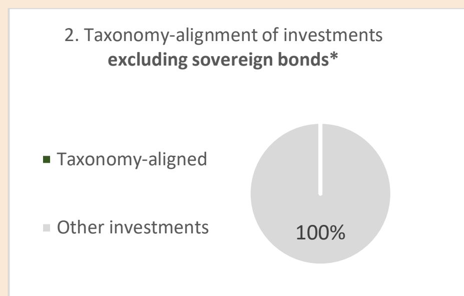
☐ In fossil gas ☐ In nuclear energy

☒ No

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 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***

The EU Taxonomy is a classification system, the purpose of which is to establish common criteria for environmentally sustainable economic activities. According to EU regulations, financial market participants should disclose the proportion of investments that are Taxonomy-aligned. However, the Taxonomy is currently under development, and the criteria for all the environmental objectives have not yet been implemented. Further, there is not yet any clearly established model and/or standard for how to calculate the proportion of Taxonomy-aligned investments. Lastly, company disclosure related to the EU Taxonomy has yet to become widespread. Therefore, as of now, the Sub-Fund is committed to 0% as the minimum proportion of investments that are aligned with the EU Taxonomy for environmentally sustainable investments.

[9] 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.

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.

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 investments in transitional and enabling activities?

As the minimum share of investments in Taxonomy-aligned activities is 0%, the Investment Manager will likewise commit to 0% as the minimum proportion of investments in transitional and enabling activities, respectively.

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

For reasons outlined above, the minimum proportion of investments in economic activities that are defined as environmentally sustainable according to the EU Environmental Taxonomy is 0%. The disclosure is therefore only focused on investments in environmental economic activities that are sustainable according to Article 2(17) in Regulation (EU) 2019/2088.

The Management Company and the Investment Manager will generally seek a balanced distribution between environmental and social objectives among the Sub-Fund's sustainable investments. The Sub-Fund is committed to a minimum proportion of 5% of total investments that are classified as sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Sub-Fund is committed to a minimum proportion of 5% of total investments that are classified as sustainable investments with a social objective.

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

There are two main purposes of investments included under "#2 Other":

- The Sub-Fund generally maintains a varied level of *cash allocation* in order to manage necessary fund liquidity; and
- The Sub-Fund may consider certain investments with a *compelling investment rationale* that have Red Flags connected to Environmental or social controversies and/or more than two Red flags related to governance issues. All investments must fulfil the minimum environmental or social safeguards criteria covered by the EQSS framework, as described above. This means, no investments will be made into certain sectors, and no new investments will be made into holdings deemed Non-Compliant in the controversy (norms-based) screening.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.espiria.se.

Further information is also found in the Annual Sustainable Investment Report..

For specific questions regarding this pre-contractual disclosure the East Capital Group ESG function can be contacted at esg@eastcapital.com.

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

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: Espiria 60 **Legal entity identifier:** 529900RKLLHFAAGK9U94

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:** ___%	☒ 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 5% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ 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**

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

The Sub-Fund's investment objective is to achieve a combination of income and long-term capital appreciation. By adopting a sustainability integrated investment process, the Sub-Fund also aims to promote environmental and social characteristics.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the 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 Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. The EQSS framework consists of five segments, Leadership, Market Growth & Opportunities,

Business Strength & Resilience, Fundamentals and Sustainability, where each segment has multiple sub-topics that are scored 1 to 5. A higher (better) score will support a higher portfolio weight, all else equal. As ESG characteristics are included in all key segments of the framework, the Investment Manager is in this way actively promoting holdings with stronger environmental and/or social characteristics and sustainability footprint.

In addition to assessing the quality and sustainability profile of an investment, environmental and social characteristics are promoted through compliance with our sector and norms-based screening criteria. Our norms-based screening aligns with the UN Global Compact and OECD Guidelines for Multinational Enterprises, ensuring adherence to internationally recognized standards. The following sectors are excluded from our investment universe:

1. Prohibited and Controversial Weapons, including nuclear weapons
2. Tobacco
3. Adult Entertainment
4. Gambling
5. Alcohol
6. Fossil fuels

More details on the exclusion criteria are outlined in the Investment Manager's Group ESG Policy.

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?

In addition to the objective of the Sub-Fund to achieve significant capital appreciation, the Sub-Fund also intends to achieve the following objectives with its sustainable investments:

- *Environmental objectives,* such as improved energy efficiency, increased use of renewable energy, reduced greenhouse gas emissions, and the promotion of a circular economy, as outlined in in Article 2(17) of Regulation (EU) 2019/2088,

- *Social objectives,* such as tackling inequality, fostering social cohesion, social interaction and labour relations, or investments in human capital or economically or socially disadvantaged communities, as outlined in Article 2(17) of Regulation (EU) 2019/2088,

- *Other environmental and social objectives*, as outlined in the UN's Sustainable Development Goals (SDGs).

The sustainable investments contribute to the environmental and social objectives by directly addressing any of the objectives in their operations, by enabling such activities through their goods and services, or by themselves being part of the transition through changing their practices and policies (for example, by reducing greenhouse gas emissions).

Investments are classified as sustainable investments by meeting all criteria in the "Three-Step-Test", which is based on the definition of sustainable investments in Article 2(17) of Regulation (EU) 2019/2088 and is outlined in detail under the section on binding elements of the investment strategy.

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?

The Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. EQSS includes principal adverse impacts (PAI) indicators and Red Flag (RF) questions, covering the ESG topics deemed most critical by the Investment Manager.

The Red Flag Analysis consists of a set of questions which the Investment Manager deems to be crucial to consider for ensuring that investments do not cause significant harm. The questions are related to corporate governance, ethics, and corruption, and also covers international norms and standards, as well as severe and/or systematic environmental or social controversies. The Red Flag Analysis has one question specifically addressing the Principal Adverse Impact Indicators, as stated in Annex I of Regulation (EU) 2019/2088. In order to assess this, the Investment Manager use tools from an external service providers that compares the Principal Adverse Impact Indicators for each company with a range of peer companies.

The EQSS, including the Red Flag Analysis and the assessment of PAI indicators, forms an integral part of the Three-Step-Test applied by the Investment Manager to define sustainable investments. The outcomes of these assessments are necessary to determine whether an investment can successfully meet the relevant steps of the Three-Step-Test, as described in detail in the section on binding elements of the investment strategy.

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

Indicators for adverse impacts are included in the EQSS framework and in the norms-based screening. The Investment Manager periodically reviews the key adverse indicators for the portfolio holdings and will discuss where clear outliers are identified. More information on how the Investment Manager considers principal adverse impacts on sustainability factors can be found in the section on PAI below.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of the controversy (norms-based) screening, the Investment Manager assesses companies in terms of compliance with international norms, standards and underlying conventions. The controversy (norms-based) screening is intended to capture severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. The assessments are underpinned by references to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

Upon a new investment, the Investment Manager shall check and confirm the status of the holding in relation to norms and controversies. The Sub-Fund's portfolio is also checked quarterly by the Investment Manager's ESG function, which highlights any company on the Watchlist or assessed as Non-compliant. This review is based on the results in the norms-based screening, information that has been publicly disclosed by issuers, as well as other relevant information that may have come to the attention of the Investment Manager.

According to the Investment Manager's "Three-Step-Test", holdings that are classified as sustainable investments must not be assessed as Non-Compliant in the norms-based screening.

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?

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.

✖ *Yes,* principal adverse impacts (PAI) indicators are considered by the Sub-Fund.

Upon a new investment, the Investment Manager checks and confirms the status of new holdings in regard to norms and controversies. This norms-based (controversy) screening covers PAI indicators such as violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or lack of processes and compliance mechanisms to monitor compliance with those regulations, and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

Furthermore, all 14 mandatory PAI indicators, as stated in Annex I of Regulation (EU) 2018/2088, are currently assessed at holding level to the extent that data is available, in both absolute terms and in comparison with industry peers, as part of the investment process and the holistic assessment of company quality. The team reviews the most up to date PAI data extracted from service providers' databases and ensures that selected investments are not outliers in any of their actual PAI performances.

Following the requirements of Regulation (EU) 2019/2088, and the information to be disclosed pursuant to Article 11(2) of that Regulation, the Investment Manager will publish the information on principal adverse impacts on sustainability factors in the annual report referred to in Article 69 of Directive 2009/65/EC in due course and in line with regulatory requirements.

☐ *No*

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund's investment objective is to achieve a combination of income and long-term capital appreciation. The Fund is balanced and invests in both equity (around 60%) and fixed income (around 40%). Within equities, the investment strategy is focused on quality companies exposed to structural trends led by innovation and sustainability. Within fixed income, the investment strategy is focused on Nordic fixed income instruments, mainly corporate bonds.

The Investment Manager selects investments based on an active and primarily bottom-up approach, including an assessment of each company's (or issuer's) quality and sustainability profile through the EQSS framework (decribed in detail below).

- ***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?***

- *Ensure minimum environmental or social safeguards,* the Fund will not enter new position in securities of companies identified to be accountable for severe controversies related to international norms and conventions where the initial assessment indicates low feasibility for engagement, and will divest from holdings assessed as Non-Compliant if the breach is based on events that occurred after the time of the first investment (or information about the events has been made available thereafter) and the company is not deemed as having taken or taking adequate measures;

- *Sector exclusions*, the Fund will not invest in companies that involve in prohibited and controversial weapons including nuclear weapons, it also will not invest in companies with material derive >5% of their revenues from weapons, fossil fuels, pornography, gambling, alcohol, or tobacco

- *No significant harm to other E/S objectives*, The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also takes consideration of principal adverse impacts (PAI);

- *Good governance practices*, The investment should not have more than 2 RFs related to governance issues. This is a requirement for investments that align with environmental and social (E/S) characteristics but is not necessary for investments categorized as "other."

Minimum proportion of sustainable investments

The Investment Manager has committed to ensuring a minimum proportion of 5% sustainable investments in the Sub-Fund portfolio. While the EQSS framework is the primary framework used by the Investment Manager for assessing company quality, including sustainability related factors, the Investment Manager has also developed a "Three-Step-Test", based on the definition of sustainable investments in Article 2(17) in Regulation (EU) 2019/2088[10], to test if an investment should be classified as sustainable or not. To be classified as a "Sustainable Investment", the investment should pass each of the below outlined steps. Contribution is calculated through our proprieatary SDG Value chain analysis (SDG VCA). The VCA tool rates companies on a five-point scale from strong positive impact to strong negative impact, considering factors like materiality, intentionality, additionality, and criticality. To ensure no significant harm, the tool also evaluates if a company's activities are misaligned with any SDGs. Companies must score at least 25 out of 100 to be included in the portfolio, ensuring that all holdings contribute positively to SDG outcomes and do not significantly harm environmental or social objectives.

Three-Step-Test for Sustainable Investments

Step 1: Significant contribution to E/S objective(s)

Companies which contribute to one or several of the UN SDGs in their offering of products, and technologies, or through positive contribution to SDG outcomes across the value chain When the Investment Manager has identified potential investment ideas, different sustainability aspects are discussed and the SDG Value Chain Assessment (VCA) is completed, as outlined in detail above. The score is a simple average of the current and forward-looking impact on the SDGs. The Sub-Fund will invest in companies with an SDG VCA Score of at least 25, i.e., in companies that are deemed to contribute positively to the UN SDGs.

Or

---

[10] Sustainable investment, as defined in Article 2(17) in Regulation (EU) 2019/2088, means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Bonds that are Sustainability Linked or where the use of proceeds contribute to environmental or social objectives, and where the bond follow the respective bond principles and guidances issued by International Capital Market Association (ICMA) and are verified by a third party.

- *Green Bonds:* enable capital-raising and investment for new and existing projects with environmental benefits.
- *Social Bonds:* use of proceeds bonds that raise funds for new and existing projects with positive social outcomes. For example, build-out of telecom infrastructure in developing markets, microfinancing to under-banked population such as women in low income countries
- *Sustainability Bonds:* proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects.
- *Sustainability-Linked Bonds:* funding and encouraging companies that contribute to sustainability (from an environmental and/or social and/or governance perspective).

Step 2: No significant harm to other E/S objectives

The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also requires consideration of principal adverse impacts (PAI). The investment must be Compliant in the controversy (norm-based) and the sector-based screening. [11]

Step 3: Good governance practices

The investment should not have more than 2 RFs related to governance issues.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no committed minimum rate to reduce the scope of the investment universe. However, sector exclusions, norms-based considerations and ESG quality standards requirements do entail a significant reduction of the investment universe.

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 Investment Manager relies on the Red Flag Analysis within the EQSS framework to assess good governance practices, including high level of management integrity, board independence and diversity, accounting quality, sustainability report transparency and no recurring significant governance controversies.

Additional governance assessment topics in the EQSS framework will be applied over time, including management remuneration and incentive alignment, employee relationship, pay equality, sustainability strategy alignment, sustainability commitment/oversight, and engagement potential.

[11] For the purposes of this test, **companies involved in the following sectors cannot be classified as sustainable**: weapons, tobacco, pornography, gambling, alcohol and fossil fuels (unless taxonomy aligned).

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Sub-Fund is invested in global equities and fixed income with a focus on Nordic corporate bonds.

While the Sub-Fund does not have sustainable investments as its objective, the Sub-Fund seeks to promote environmental or social characteristics, or a combination of those, provided that the companies in which the investments are made follow good governance practices. At least 15% of the investments of the Sub-Fund will be aligned with the environmental and social characteristics promoted. A minimum proportion of 5% of total investments are classified as sustainable in the "Three-Step-Test", in accordance with the binding elements of the investment strategy.

The Investment Manager strives for a balanced distribution between environmental and social objectives for sustainable investments, since the UN SDGs address both of these factors and it is believed that both environmental and social characteristics must be promoted in order to achieve long term sustainable development. As such, the minimum proportion of investments that promote environmental characteristics or social characteristics are, respectively, 2.5%.

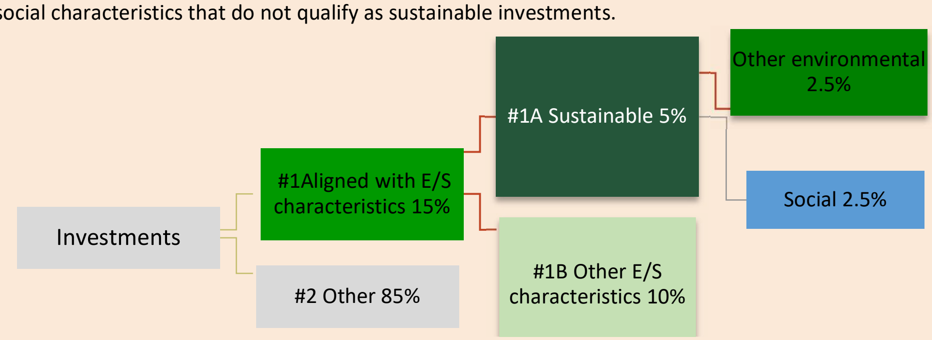
Investments categorised as "#1B Other E/S characteristics" are defined as investments in companies which do not currently meet the criteria for sustainable investments but meet our binding elements that is not part of the minimum portion of sustainable investments.

The purpose and minimum safeguards of other investments ("#2 Other") are described in detail below.

#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.



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

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

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.

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?

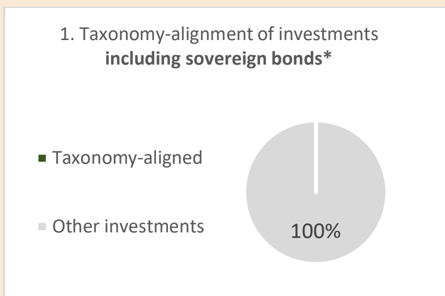
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[12]?

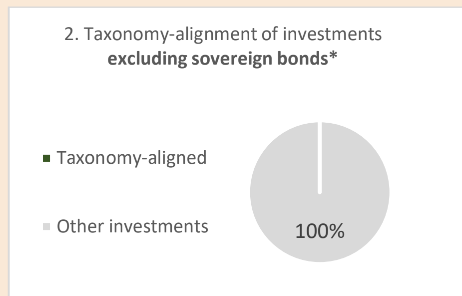
☐ Yes:

☐ 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***

The EU Taxonomy is a classification system, the purpose of which is to establish common criteria for environmentally sustainable economic activities. According to EU regulations, financial market participants should disclose the proportion of investments that are Taxonomy-aligned. However, the Taxonomy is currently under development, and the criteria for all the environmental objectives have not yet been implemented. Further, there is not yet any clearly established model and/or standard for how to calculate the proportion of Taxonomy-aligned investments. Lastly, company disclosure related to the EU Taxonomy has yet to become widespread. Therefore, as of now, the Sub-Fund is committed to 0% as the minimum proportion of investments that are aligned with the EU Taxonomy for environmentally sustainable investments.

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

As the minimum share of investments in Taxonomy-aligned activities is 0%, the Investment Manager will likewise commit to 0% as the minimum proportion of investments in transitional and enabling activities, respectively.

[12] 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?

For reasons outlined above, the minimum proportion of investments in economic activities that are defined as environmentally sustainable according to the EU Environmental Taxonomy is 0%. The disclosure is therefore only focused on investments in environmental economic activities that are sustainable according to Article 2(17) in Regulation (EU) 2019/2088.

The Management Company and the Investment Manager will generally seek a balanced distribution between environmental and social objectives among the Sub-Fund's sustainable investments. The Sub-Fund is committed to a minimum proportion of 2.5% of total investments that are classified as sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Sub-Fund is committed to a minimum proportion of 2.5% of total investments that are classified as sustainable investments with a social objective.

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

There are two main purposes of investments included under "#2 Other":

- The Sub-Fund generally maintains a varied level of *cash allocation* in order to manage necessary fund liquidity; and
- The Sub-Fund may consider certain investments with a *compelling investment rationale* that have Red Flags connected to Environmental or social controversies and/or more than two Red flags related to governance issues.
- All investments must fulfil the minimum environmental or social safeguards criteria covered by the EQSS framework, as described above. This means, no investments will be made into certain sectors, and no new investments will be made into holdings deemed Non-Compliant in the controversy (norms-based) screening.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.espiria.se.

Further information is also found in the Annual Sustainable Investment Report.

For specific questions regarding this pre-contractual disclosure the East Capital Group ESG function can be contacted at esg@eastcapital.com.

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.

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: Espiria 30 **Legal entity identifier:** 52990060O8VJUZ9XXZ54

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:** ___%	☒ 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 5% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ 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**

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

The investment objective of the Sub-Fund is to achieve a combination of income and long-term capital appreciation. By adopting a sustainability integrated investment process, the Sub-Fund also aims to promote environmental and social characteristics.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the 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 Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. The EQSS framework consists of five segments, Leadership, Market Growth & Opportunities,

Business Strength & Resilience, Fundamentals and Sustainability, where each segment has multiple sub-topics that are scored 1 to 5. A higher (better) score will support a higher portfolio weight, all else equal. As ESG characteristics are included in all key segments of the framework, the Investment Manager is in this way actively promoting holdings with stronger environmental and/or social characteristics and sustainability footprint.

In addition to assessing the quality and sustainability profile of an investment, environmental and social characteristics are promoted through compliance with our sector and norms-based screening criteria. Our norms-based screening aligns with the UN Global Compact and OECD Guidelines for Multinational Enterprises, ensuring adherence to internationally recognized standards. The following sectors are excluded from our investment universe:

1. Prohibited and Controversial Weapons, including nuclear weapons
2. Tobacco
3. Adult Entertainment
4. Gambling
5. Alcohol
6. Fossil fuels

More details on the exclusion criteria are outlined in the Investment Manager's Group ESG Policy.

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?

In addition to the Sub-Fund's objective of achieving a combination of income and long-term capital appreciation, the Sub-Fund also intends to achieve the following objectives with its sustainable investments:

- *Environmental objectives,* such as improved energy efficiency, increased use of renewable energy, reduced greenhouse gas emissions, and the promotion of a circular economy, as outlined in in Article 2(17) of Regulation (EU) 2019/2088,

- *Social objectives,* such as tackling inequality, fostering social cohesion, social interaction and labour relations, or investments in human capital or economically or socially disadvantaged communities, as outlined in Article 2(17) of Regulation (EU) 2019/2088,

- *Other environmental and social objectives*, as outlined in the UN's Sustainable Development Goals (SDGs).

The sustainable investments contribute to the environmental and social objectives by directly addressing any of the objectives in their operations, by enabling such activities through their goods and services, or by themselves being part of the transition through changing their practices and policies (for example, by reducing greenhouse gas emissions).

Investments are classified as sustainable investments by meeting all criteria in the "Three-Step-Test", which is based on the definition of sustainable investments in Article 2(17) of Regulation (EU) 2019/2088 and is outlined in detail under the section on binding elements of the investment strategy.

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?

The Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. EQSS includes principal adverse impacts (PAI) indicators and Red Flag (RF) questions, covering the ESG topics deemed most critical by the Investment Manager.

The Red Flag Analysis consists of a set of questions which the Investment Manager deems to be crucial to consider for ensuring that investments do not cause significant harm. The questions are related to corporate governance, ethics, and corruption, and also covers international norms and standards, as well as severe and/or systematic environmental or social controversies. The Red Flag Analysis has one question specifically addressing the Principal Adverse Impact (PAI) indicators, which are outlined in Annex I of Regulation (EU) 2019/2088. In order to assess this, the Investment Manager use tools from external service providers that compares the PAI indicators for each company with a range of peer companies.

The EQSS, including the Red Flag Analysis and the assessment of PAI indicators, forms an integral part of the Three-Step-Test applied by the Investment Manager to define sustainable investments. The outcomes of these assessments are necessary to determine whether an investment can successfully meet the relevant steps of the Three-Step-Test, as described in detail in the section on binding elements of the investment strategy.

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

Indicators for adverse impacts are included in the EQSS framework and in the norms-based screening. The Investment Manager periodically reviews the key adverse indicators for the portfolio holdings and will discuss where clear outliers are identified. More information on how the Investment Manager considers principal adverse impacts on sustainability factors can be found in the section on PAI below.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of the controversy (norms-based) screening, the Investment Manager assesses companies in terms of compliance with international norms, standards and underlying conventions. The controversy (norms-based) screening is intended to capture severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. The assessments are underpinned by references to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

Upon a new investment, the Investment Manager shall check and confirm the status of the holding in relation to norms and controversies. The Sub-Fund's portfolio is also checked quarterly by the Investment Manager's ESG function, which highlights any company on the Watchlist or assessed as Non-compliant. This review is based on the results in the norms-based screening, information that has been publicly disclosed by issuers, as well as other relevant information that may have come to the attention of the Investment Manager.

According to the Investment Manager's "Three-Step-Test", holdings that are classified as sustainable investments must not be assessed as Non-Compliant in the norms-based screening**.**

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?

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.

✖ *Yes,* principal adverse impacts (PAI) indicators are considered by the Sub-Fund.

Upon a new investment, the Investment Manager checks and confirms the status of new holdings in regard to norms and controversies. This norms-based (controversy) screening covers PAI indicators such as violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or lack of processes and compliance mechanisms to monitor compliance with those regulations, and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

Furthermore, all 14 mandatory PAI indicators, as stated in Annex I of Regulation (EU) 2018/2088, are currently assessed at holding level to the extent that data is available, in both absolute terms and in comparison with industry peers, as part of the investment process and the holistic assessment of company quality. The team reviews the most up to date PAI data extracted from service providers' databases and ensures that selected investments are not outliers in any of their actual PAI performances.

Following the requirements of Regulation (EU) 2019/2088, and the information to be disclosed pursuant to Article 11(2) of that Regulation, the Investment Manager will publish the information on principal adverse impacts on sustainability factors in the annual report referred to in Article 69 of Directive 2009/65/EC in due course and in line with regulatory requirements.

☐ *No*

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Sub-Fund's investment objective is to achieve a combination of income and long-term capital appreciation. The Sub-Fund is balanced and invests in both equity (around 30%) and fixed income (around 70%). Within equities, the investment strategy is focused on quality companies exposed to structural trends led by innovation and sustainability. Within fixed income, the investment strategy is focused on Nordic fixed income instruments, mainly corporate bonds.

The Investment Manager selects investments based on an active and primarily bottom-up approach, including an assessment of each company's (or issuer's) quality and sustainability profile through the EQSS framework (decribed in detail below).

- ***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?***

- *Ensure minimum environmental or social safeguards,* the Fund will not enter new position in securities of companies identified to be accountable for severe controversies related to international norms and conventions where the initial assessment indicates low feasibility for engagement, and will divest from holdings assessed as Non-Compliant if the breach is based on events that occurred after the time of the first investment (or information about the events has been made available thereafter) and the company is not deemed as having taken or taking adequate measures;
- *Sector exclusions*, the Fund will not invest in companies that involve in prohibited and controversial weapons including nuclear weapons, it also will not invest in companies with material derive >5% of their revenues from weapons, fossil fuels, pornography, gambling, alcohol, or tobacco
- *No significant harm to other E/S objectives*, The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also takes consideration of principal adverse impacts (PAI);
- *Good governance practices*, The investment should not have more than 2 RFs related to governance issues. This is a requirement for investments that align with environmental and social (E/S) characteristics but is not necessary for investments categorized as "other."

Minimum proportion of sustainable investments

The Investment Manager has committed to ensuring a minimum proportion of 5% sustainable investments in the Sub-Fund portfolio. While the EQSS framework is the primary framework used by the Investment Manager for assessing company quality, including sustainability related factors, the Investment Manager has also developed a "Three-Step-Test", based on the definition of sustainable investments in Article 2(17) in Regulation (EU) 2019/2088[13], to test if an investment should be

[13] Sustainable investment, as defined in Article 2(17) in Regulation (EU) 2019/2088, means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee

classified as sustainable or not. To be classified as a "Sustainable Investment", the investment should pass each of the below outlined steps. Contribution is calculated through our proprieatary SDG Value chain analysis (SDG VCA). The VCA tool rates companies on a five-point scale from strong positive impact to strong negative impact, considering factors like materiality, intentionality, additionality, and criticality. To ensure no significant harm, the tool also evaluates if a company's activities are misaligned with any SDGs. Companies must score at least 25 out of 100 to be included in the portfolio, ensuring that all holdings contribute positively to SDG outcomes and do not significantly harm environmental or social objectives.

Three-Step-Test for Sustainable Investments

Step 1: Significant contribution to E/S objective(s)

Companies which contribute to one or several of the UN SDGs in their offering of products, and technologies, or through positive contribution to SDG outcomes across the value chain When the Investment Manager has identified potential investment ideas, different sustainability aspects are discussed and the SDG Value Chain Assessment (VCA) is completed, as outlined in detail above. The score is a simple average of the current and forward-looking impact on the SDGs. The Sub-Fund will invest in companies with an SDG VCA Score of at least 25, i.e., in companies that are deemed to contribute positively to the UN SDGs.

Or

Bonds that are Sustainability Linked or where the use of proceeds contribute to environmental or social objectives, and where the bond follow the respective bond principles and guidances issued by International Capital Market Association (ICMA) and are verified by a third party.

- Green Bonds: enable capital-raising and investment for new and existing projects with environmental benefits.
- Social Bonds: use of proceeds bonds that raise funds for new and existing projects with positive social outcomes. For example, build-out of telecom infrastructure in developing markets, microfinancing to under-banked population such as women in low income countries
- Sustainability Bonds: proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects.
- Sustainability-Linked Bonds: funding and encouraging companies that contribute to sustainability (from an environmental and/or social and/or governance perspective).

Step 2: No significant harm to other E/S objectives

The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also requires consideration of principal adverse impacts (PAI). The investment must be Compliant in the controversy (norms-based) and the sector-based screening. [14]

companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

[14] For the purposes of this test, **companies involved in the following sectors cannot be classified as sustainable**: weapons, tobacco, pornography, gambling, alcohol and fossil fuels (unless taxonomy aligned).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Step 3: Good governance practices

The investment should not have more than 2 RFs related to governance issues.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the investment universe. However, sector exclusions, norms-based considerations and ESG quality standards requirements do entail a significant reduction of the investment universe.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager relies on the Red Flag Analysis within the EQSS framework to assess good governance practices, including high level of management integrity, board independence and diversity, accounting quality, sustainability report transparency and no recurring significant governance controversies.

Additional governance assessment topics in the EQSS framework will be applied over time, including management remuneration and incentive alignment, employee relationship, pay equality, sustainability strategy alignment, sustainability commitment/oversight, and engagement potential.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Fund is invested in global equities and fixed income with a focus on Nordic corporate bonds.

While the Sub-Fund does not have sustainable investments as its objective, the Sub-Fund seeks to promote environmental or social characteristics, or a combination of those, provided that the companies in which the investments are made follow good governance practices. As such, a minimum proportion of 5% of total investments are classified as sustainable in the "Three-Step-Test", in accordance with the binding elements of the investment strategy.

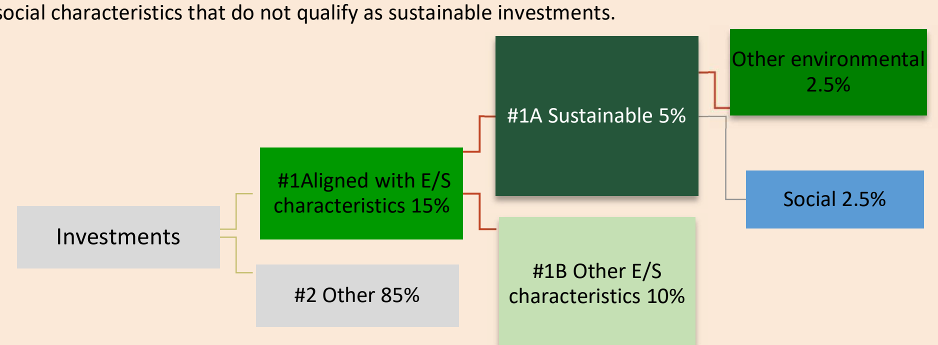
The Investment Manager strives for a balanced distribution between environmental and social objectives for sustainable investments, since the UN SDGs address both of these factors and it is believed that both environmental and social characteristics must be promoted in order to achieve long term sustainable development. At least 15% of the investments of the Sub-Fund will be aligned with the environmental and social characteristics promoted. The minimum proportion of investments that promote environmental characteristics or social characteristics are, respectively, 2.5%.

Investments categorised as “#1B Other E/S characteristics” are defined as investments in companies that do not currently qualify as sustainable investments but meet the binding elements applied to attain the environmental and/or social characteristics promoted by the financial product. The purpose and minimum safeguards of other investments ("#2 Other") are described in detail below.

#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.



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

The Sub-Fund does not use derivatives to attain the environmental or social characteristics promoted by the Fund.

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

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[15]?**

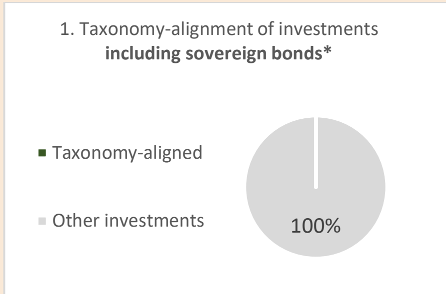
☐ Yes:

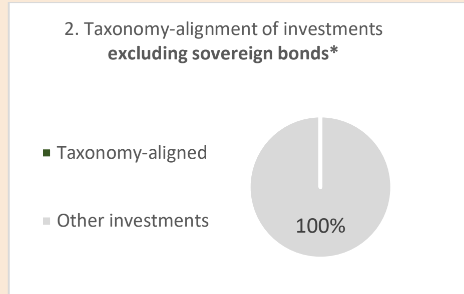
☐ In fossil gas ☐ In nuclear energy

☒ No

[15] 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.

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***

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 EU Taxonomy is a classification system, the purpose of which is to establish common criteria for environmentally sustainable economic activities. According to EU regulations, financial market participants should disclose the proportion of investments that are Taxonomy-aligned. However, the Taxonomy is currently under development, and the criteria for all the environmental objectives have not yet been implemented. Further, there is not yet any clearly established model and/or standard for how to calculate the proportion of Taxonomy-aligned investments. Lastly, company disclosure related to the EU Taxonomy has yet to become widespread. Therefore, as of now, the Sub-Fund is committed to 0% as the minimum proportion of investments that are aligned with the EU Taxonomy for environmentally sustainable investments.

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

As the minimum share of investments in Taxonomy-aligned activities is 0%, the Investment Manager will likewise commit to 0% as the minimum proportion of investments in transitional and enabling activities, respectively.

However, the Investment Manager believes that making investments that are not yet classified as sustainable, but are aligned with E/S characteristics and show potential for improved ESG profiles and contributions to such characteristics (see #1B in the Sub-Fund's planned asset allocation), is consistent with the spirit of the Taxonomy's notion of transitional activities.

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?

For reasons outlined above, the minimum proportion of investments in economic activities that are defined as environmentally sustainable according to the EU Environmental Taxonomy is 0%. The disclosure is therefore only focused on investments in environmental economic activities that are sustainable according to Article 2(17) in Regulation (EU) 2019/2088.

The Management Company and the Investment Manager will generally seek a balanced distribution between environmental and social objectives among the Sub-Fund's sustainable investments. The Sub-Fund is committed to a minimum proportion of 2.5% of total investments that are classified as sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Sub-Fund is committed to a minimum proportion of 2.5% of total investments that are classified as sustainable investments with a social objective.

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

There are two main purposes of investments included under "2# Other", i.e., investments that are not aligned with the E/S characteristics promoted by the Fund:

- The Fund generally maintains a varied level of cash allocation in order to manage necessary fund liquidity; and
- The Sub-Fund may consider certain investments with a *compelling investment rationale* that have Red Flags connected to Environmental or social controversies and/or more than two Red flags related to governance issues.
- All investments must fulfil the minimum environmental or social safeguards criteria covered by the EQSS framework, as described above. This means, no investments will be made into certain sectors, and no new investments will be made into holdings deemed Non-Compliant in the controversy (norms-based) screening.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.espiria.se.

Further information is also found in the Annual Sustainable Investment Report.

For specific questions regarding this pre-contractual disclosure the East Capital Group ESG function can be contacted at esg@eastcapital.com.

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: Espiria Nordic Corporate Bond **Legal entity identifier:** 529900XOKGJUDQ2TXC20

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental 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 5% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ 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**

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

The Sub-Fund's investment objective is to achieve a combination of interest income and capital appreciation. By adopting a sustainability integrated investment process.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. The EQSS framework consists of five segments, Leadership, Market Growth & Opportunities, Business Strength & Resilience, Fundamentals and Sustainability, where each segment has multiple sub-topics that are scored 1 to 5. A higher (better) score will support a higher portfolio weight, all else equal. As ESG characteristics are included in all key segments of the framework, the Investment Manager is in this way actively promoting holdings with stronger environmental and/or social characteristics and sustainability footprint.

In addition to assessing the quality and sustainability profile of an investment, environmental and social characteristics are promoted through compliance with our sector and norms-based screening criteria. Our norms-based screening aligns with the UN Global Compact and OECD Guidelines for Multinational Enterprises, ensuring adherence to internationally recognized standards. The following sectors are excluded from our investment universe:

1. Prohibited and Controversial Weapons, including nuclear weapons
2. Tobacco
3. Adult Entertainment
4. Gambling
5. Alcohol
6. Fossil fuels

More details on the exclusion criteria are outlined in the Investment Manager's Group ESG Policy.

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?

In addition to the objective of the Sub-Fund to achieve significant capital appreciation, the Sub-Fund also intends to achieve the following objectives with its sustainable investments:

- *Environmental objectives,* such as improved energy efficiency, increased use of renewable energy, reduced greenhouse gas emissions, and the promotion of a circular economy, as outlined in in Article 2(17) of Regulation (EU) 2019/2088,

- *Social objectives,* such as tackling inequality, fostering social cohesion, social interaction and labour relations, or investments in human capital or economically or socially disadvantaged communities, as outlined in Article 2(17) of Regulation (EU) 2019/2088,

- *Other environmental and social objectives*, as outlined in the UN's Sustainable Development Goals (SDGs).

The sustainable investments contribute to the environmental and social objectives by directly addressing any of the objectives in their operations, by enabling such activities through their goods and services, or by themselves being part of the transition through changing their practices and policies (for example, by reducing greenhouse gas emissions).

Investments are classified as sustainable investments by meeting all criteria in the "Three-Step-Test", which is based on the definition of sustainable investments in Article 2(17) of Regulation (EU) 2019/2088 and is outlined in detail under the section on binding elements of the investment strategy.

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?

The Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. EQSS includes principal adverse impacts (PAI) indicators and Red Flag (RF) questions, covering the ESG topics deemed most critical by the Investment Manager.

The Red Flag Analysis consists of a set of questions which the Investment Manager deems to be crucial to consider for ensuring that investments do not cause significant harm. The questions are related to corporate governance, ethics, and corruption, and also covers international norms and standards, as well as severe and/or systematic environmental or social controversies. The Red Flag Analysis has one question specifically addressing the Principal Adverse Impact (PAI) indicators, which are outlined in Annex I of Regulation (EU) 2019/2088. In order to assess this, the Investment Manager use tools from external service providers that compares the PAI indicators for each company with a range of peer companies.

The EQSS, including the Red Flag Analysis and the assessment of PAI indicators, forms an integral part of the Three-Step-Test applied by the Investment Manager to define sustainable investments. The outcomes of these assessments are necessary to determine whether an investment can successfully meet the relevant steps of the Three-Step-Test, as described in detail in the section on binding elements of the investment strategy.

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

Indicators for adverse impacts are included in the EQSS framework and in the norms-based screening. The Investment Manager periodically reviews the key adverse indicators for the portfolio holdings and will discuss where clear outliers are identified. More information on how the Investment Manager considers principal adverse impacts on sustainability factors can be found in the section on PAI below.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As part of the controversy (norms-based) screening, the Investment Manager assesses companies in terms of compliance with international norms, standards and underlying conventions. The controversy (norms-based) screening is intended to capture severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. The assessments are underpinned by references to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

Upon a new investment, the Investment Manager shall check and confirm the status of the holding in relation to norms and controversies. The Sub-Fund's portfolio is also checked quarterly by the Investment Manager's ESG function, which highlights any company on the Watchlist or assessed as Non-compliant. This review is based on the results in the norms-based screening, information that has been publicly disclosed by issuers, as well as other relevant information that may have come to the attention of the Investment Manager.

According to the Investment Manager's "Three-Step-Test", holdings that are classified as sustainable investments must not be assessed as Non-Compliant in the norms-based screening.

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.

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.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ *Yes,* principal adverse impacts (PAI) indicators are considered by the Sub-Fund.

Upon a new investment, the Investment Manager checks and confirms the status of new holdings in regard to norms and controversies. This norms-based (controversy) screening covers PAI indicators such as violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or lack of processes and compliance mechanisms to monitor compliance with those regulations, and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

Furthermore, all 14 mandatory PAI indicators, as stated in Annex I of Regulation (EU) 2018/2088, are currently assessed at holding level to the extent that data is available, in both absolute terms and in comparison with industry peers, as part of the investment process and the holistic assessment of company quality. The team reviews the most up to date PAI data extracted from service providers' databases and ensures that selected investments are not outliers in any of their actual PAI performances.

Following the requirements of Regulation (EU) 2019/2088, and the information to be disclosed pursuant to Article 11(2) of that Regulation, the Investment Manager will publish the information on principal adverse impacts on sustainability factors in the annual report referred to in Article 69 of Directive 2009/65/EC in due course and in line with regulatory requirements.

☐ *No*

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Sub-Fund's investment objective is to achieve a combination of interest income and long-term capital appreciation. The investment strategy is focused on Nordic fixed income instruments, mainly corporate bonds.

The Investment Manager selects investments based on an active and primarily bottom-up approach, including an assessment of each issuer's quality and sustainability profile through the EQSS framework (decribed in detail below).

- ***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?***

- *Ensure minimum environmental or social safeguards,* the Fund will not enter new position in securities of companies identified to be accountable for severe controversies related to international norms and conventions where the initial assessment indicates low feasibility for engagement, and will divest from holdings assessed as Non-Compliant if the breach is based on events that occurred after the time of the first investment (or information about the events has been made available thereafter) and the company is not deemed as having taken or taking adequate measures;

- *Sector exclusions*, the Fund will not invest in companies that involve in prohibited and controversial weapons including nuclear weapons, it also will not invest in companies with material derive >5% of their revenues from weapons, fossil fuels, pornography, gambling, alcohol, or tobacco

- *No significant harm to other E/S objectives*, The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also takes consideration of principal adverse impacts (PAI);
- *Good governance practices*, The investment should not have more than 2 RFs related to governance issues. This is a requirement for investments that align with environmental and social (E/S) characteristics but is not necessary for investments categorized as "other."

Minimum proportion of sustainable investments

The Investment Manager has committed to ensuring a minimum proportion of 5% sustainable investments in the Sub-Fund portfolio. While the EQSS framework is the primary framework used by the Investment Manager for assessing company quality, including sustainability related factors, the Investment Manager has also developed a "Three-Step-Test", based on the definition of sustainable investments in Article 2(17) in Regulation (EU) 2019/2088[16], to test if an investment should be classified as sustainable or not. To be classified as a "Sustainable Investment", the investment should pass each of the below outlined steps. Contribution is calculated through our proprieatary SDG Value chain analysis (SDG VCA) or by sustainability linked bonds. The VCA tool rates companies on a five-point scale from strong positive impact to strong negative impact, considering factors like materiality, intentionality, additionality, and criticality. To ensure no significant harm, the tool also evaluates if a company's activities are misaligned with any SDGs. Companies must score at least 25 out of 100 to be included in the portfolio, ensuring that all holdings contribute positively to SDG outcomes and do not significantly harm environmental or social objectives.

Three-Step-Test for Sustainable Investments

Step 1: Significant contribution to E/S objective(s)

Companies which contribute to one or several of the UN's Sustainable Development Goals (SDGs) in their offering of products, and technologies, or through positive contribution to SDG outcomes across the value chain. Contribution will be measured via revenue, capital expenditure, operating expenditure and/or research and development linked to the UN's SDGs and should exceed 20%.

Or

Bonds that are Sustainability Linked or where the use of proceeds contribute to environmental or social objectives, and where the bond follow the respective bond

[16] Sustainable investment, as defined in Article 2(17) in Regulation (EU) 2019/2088, means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

principles and guidances issued by International Capital Market Association (ICMA) and are verified by a third party.

- *Green Bonds:* enable capital-raising and investment for new and existing projects with environmental benefits.
- *Social Bonds:* use of proceeds bonds that raise funds for new and existing projects with positive social outcomes. For example, build-out of telecom infrastructure in developing markets, microfinancing to under-banked population such as women in low income countries
- *Sustainability Bonds:* proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects.
- *Sustainability-Linked Bonds:* funding and encouraging companies that contribute to sustainability (from an environmental and/or social and/or governance perspective).

Step 2: No significant harm to other E/S objectives

The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also requires consideration of principal adverse impacts (PAI). The investment must be Compliant in the controversy (norms-based) and the sector-based screening. [17]

Step 3: Good governance practices

The investment should not have more than 2 RFs related to governance issues.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the investment universe. However, sector exclusions, norms-based considerations and ESG quality standards requirements do entail a significant reduction of the investment universe.

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 Investment Manager relies on the Red Flag Analysis within the EQSS framework to assess good governance practices, including high level of management integrity, board independence and diversity, accounting quality, sustainability report transparency and no recurring significant governance controversies.

Additional governance assessment topics in the EQSS framework will be applied over time, including management remuneration and incentive alignment, employee relationship, pay equality, sustainability strategy alignment, sustainability commitment/oversight, and engagement potential.

What is the asset allocation planned for this financial product?

The Fund is invested in global equities and fixed income with a focus on Nordic corporate bonds.

[17] For the purposes of this test, **companies involved in the following sectors cannot be classified as sustainable**: weapons, tobacco, pornography, gambling, alcohol and fossil fuels (unless taxonomy aligned).

While the Sub-Fund does not have making sustainable investments as its objective, the Sub-Fund seeks to promote environmental or social characteristics, or a combination of those, provided that the companies in which the investments are made follow good governance practices. At least 10% of the investments of the Sub-Fund will be aligned with the environmental and social characteristics promoted. A minimum proportion of 5% of total investments are classified as sustainable in the "Three-Step-Test", in accordance with the binding elements of the investment strategy. This equals the minimum proportion of investments that promote environmental characteristics.

Asset allocation describes the share of investments in specific assets.

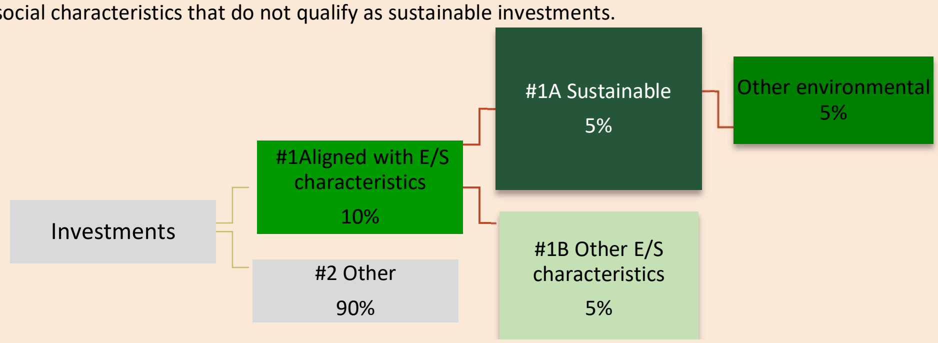
Investments categorised as "#1B Other E/S characteristics" are defined as investments in companies that do not currently qualify as sustainable investments but meet the binding elements applied to attain the environmental and/or social characteristics promoted by the financial product.

The purpose and minimum safeguards of other investments ("#2 Other") are described in detail below.

#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.



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

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

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

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.

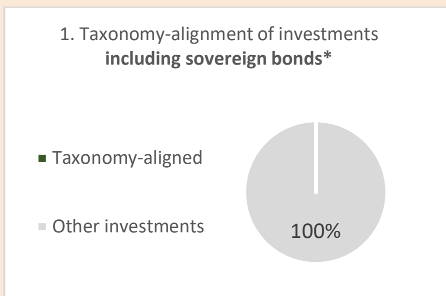
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[18]?

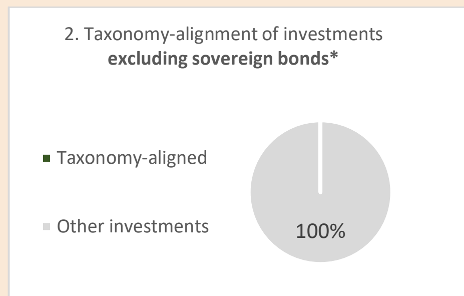
☐ Yes:

☐ 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***

The EU Taxonomy is a classification system, the purpose of which is to establish common criteria for environmentally sustainable economic activities. According to EU regulations, financial market participants should disclose the proportion of investments that are Taxonomy-aligned. However, the Taxonomy is currently under development, and the criteria for all the environmental objectives have not yet been implemented. Further, there is not yet any clearly established model and/or standard for how to calculate the proportion of Taxonomy-aligned investments. Lastly, company disclosure related to the EU Taxonomy has yet to become widespread. Therefore, as of now, the Sub-Fund is committed to 0% as the minimum proportion of investments that are aligned with the EU Taxonomy for environmentally sustainable investments.

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.

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

As the minimum share of investments in Taxonomy-aligned activities is 0%, the Investment Manager will likewise commit to 0% as the minimum proportion of investments in transitional and enabling activities, respectively.

[18] 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?

For reasons outlined above, the minimum proportion of investments in economic activities that are defined as environmentally sustainable according to the EU Environmental Taxonomy is 0%. The disclosure is therefore only focused on investments in environmental economic activities that are sustainable according to Article 2(17) in Regulation (EU) 2019/2088.

The Sub-Fund is committed to a minimum proportion of 5% of total investments that are classified as sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. gree

What is the minimum share of socially sustainable investments?

The Sub-Fund is not committed to a minimum proportion of investments that are classified as sustainable investments with a social objective.

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

There are two main purposes of investments included under "#2 Other":

- The Sub-Fund generally maintains a varied level of *cash allocation* in order to manage necessary fund liquidity; and
- The Sub-Fund may consider certain investments with a *compelling investment rationale* that have Red Flags connected to Environmental or social controversies and/or more than two Red flags related to governance issues.
- All investments must fulfil the minimum environmental or social safeguards criteria covered by the EQSS framework, as described above. This means, no investments will be made into certain sectors, and no new investments will be made into holdings deemed Non-Compliant in the controversy (norms-based) screening.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.espiria.se.

Further information is also found in the Annual Sustainable Investment Report.

For specific questions regarding this pre-contractual disclosure the East Capital Group ESG function can be contacted at esg@eastcapital.com.

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

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: Espiria Sweden Small Cap **Legal entity identifier:**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

[ ] **Yes**	[x] **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 __% 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:** ___%	[x] **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's investment objective is to achieve significant capital appreciation over the long-term. By adopting a sustainability integrated investment process, the Sub-Fund also aims to promote environmental and social characteristics.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the 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 Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. The EQSS framework consists of five segments, Leadership, Market Growth & Opportunities,

Business Strength & Resilience, Fundamentals and Sustainability, where each segment has multiple sub-topics that are scored 1 to 5. A higher (better) score will support a higher portfolio weight, all else equal. As ESG characteristics are included in all key segments of the framework, the Investment Manager is in this way actively promoting holdings with stronger environmental and/or social characteristics and sustainability footprint.

In addition to assessing the quality and sustainability profile of an investment, environmental and social characteristics are promoted through compliance with our sector and norms-based screening criteria. Our norms-based screening aligns with the UN Global Compact and OECD Guidelines for Multinational Enterprises, ensuring adherence to internationally recognized standards. The following sectors are excluded from our investment universe:

1. Prohibited and Controversial Weapons, including nuclear weapons
2. Tobacco
3. Adult Entertainment
4. Gambling
5. Alcohol
6. Fossil fuels

   More details on the exclusion criteria are outlined in the Investment Manager's Group ESG Policy.

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?

This financial product does not intend to make any sustainable investments.

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?

Not applicable as this financial product does not commit to make sustainable investments.

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

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

Does this financial product consider principal adverse impacts on sustainability factors?

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.

✖ *Yes,* principal adverse impacts (PAI) indicators are considered by the Sub-Fund.

Upon a new investment, the Investment Manager checks and confirms the status of new holdings in regard to norms and controversies. This norms-based (controversy) screening covers PAI indicators such as violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or lack of processes and compliance mechanisms to monitor compliance with those regulations, and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

Furthermore, mandatory PAI indicators, as stated in Annex I of Regulation (EU) 2018/2088, are currently assessed at holding level to the extent that data is available, in both absolute terms and in comparison with industry peers, as part of the investment process and the holistic assessment of company quality. The team reviews the most up to date PAI data extracted from service providers' databases and ensures that selected investments are not outliers in any of their actual PAI performances.

Following the requirements of Regulation (EU) 2019/2088, and the information to be disclosed pursuant to Article 11(2) of that Regulation, the Investment Manager publishes the information on principal adverse impacts on sustainability factors in the annual report referred to in Article 69 of Directive 2009/65/EC in line with regulatory requirements.

☐ *No*

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund aims to achieve significant long-term capital appreciation. Its investment strategy is built on three strategies: value, growth, special situations. The value strategy focuses on investing in companies that we believe are trading below their intrinsic value, while the growth strategy identifies businesses with strong potential for sustainable expansion. The special situations strategy captures opportunities arising from unique market conditions or corporate events. Additionally, ESG considerations play a significant role in the investment process.

- ***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?***

  - *Ensure minimum environmental or social safeguards,* the Fund will not enter new position in securities of companies identified to be accountable for severe controversies related to international norms and conventions where the initial assessment indicates low feasibility for engagement, and will divest from holdings assessed as Non-Compliant if the breach is based on events that occurred after the time of the first investment (or information about the events has been made available thereafter) and the company is not deemed as having taken or taking adequate measures;

  - *Sector exclusions*, the Fund will not invest in companies that involve in prohibited and controversial weapons including nuclear weapons, it also will not invest in companies with material derive >5% of their revenues from weapons, fossil fuels, pornography, gambling, alcohol, or tobacco

- *No significant harm to other E/S objectives*, The investment should not have any Red Flags (RFs) related to environmental or social controversies; the Red Flag Analysis also takes consideration of principal adverse impacts (PAI);
- *Good governance practices*, The investment should not have more than 2 RFs related to governance issues. This is a requirement for investments that align with environmental and social (E/S) characteristics but is not necessary for investments categorized as "other."

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

There is no committed minimum rate to reduce the scope of the investment universe. However, sector exclusions, norms-based considerations and ESG quality standards requirements do entail a significant reduction of the investment universe.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager relies on the Red Flag Analysis within the EQSS framework to assess good governance practices, including high level of management integrity, board independence and diversity, accounting quality, sustainability report transparency and no recurring significant governance controversies.

What is the asset allocation planned for this financial product?

The Sub-Fund invests in Nordic smallcap equities.

Asset allocation describes the share of investments in specific assets.

While the Sub-Fund does not have sustainable investments as its objective, the Sub-Fund seeks to promote environmental or social characteristics, or a combination of those, provided that the companies in which the investments are made follow good governance practices. At least 20% of the investments of the Sub-Fund will be aligned with the environmental and social characteristics promoted.

Investments categorised as "#1B Other E/S characteristics" are defined as investments in companies that do not currently qualify as sustainable investments but meet the binding elements applied to attain the environmental and/or social characteristics promoted by the financial product..

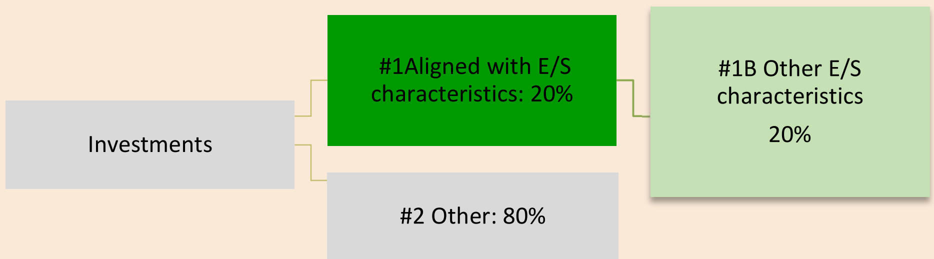
The purpose and minimum safeguards of other investments ("#2 Other") are described in detail below.

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 **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



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

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

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

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[19]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

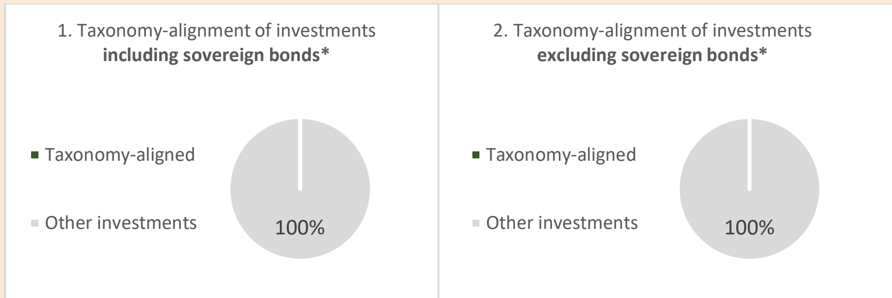
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

[19] 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.

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*

The EU Taxonomy is a classification system, the purpose of which is to establish common criteria for environmentally sustainable economic activities. According to EU regulations, financial market participants should disclose the proportion of investments that are Taxonomy-aligned. However, the Taxonomy is currently under development, and the criteria for all the environmental objectives have not yet been implemented. Further, there is not yet any clearly established model and/or standard for how to calculate the proportion of Taxonomy-aligned investments. Lastly, company disclosure related to the EU Taxonomy has yet to become widespread. Therefore, as of now, the Sub-Fund is committed to 0% as the minimum proportion of investments that are aligned with the EU Taxonomy for environmentally sustainable investments.

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

  For reasons outlined above, the Investment Manager will likewise only commit to 0% as the minimum proportion of investments in transitional and enabling activities.

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?

The financial product does not commit to making any sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The financial product does not commit to making any sustainable investments with a social objective.

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

There are two main purposes of investments included under "#2 Other":

- The Sub-Fund generally maintains a varied level of *cash allocation* in order to manage necessary fund liquidity; and

- The Sub-Fund may consider certain investments with a *compelling investment rationale* that have Red Flags connected to Environmental or social controversies and/or more than two Red flags related to governance issues.
- All investments must fulfil the minimum environmental or social safeguards criteria covered by the EQSS framework, as described above. This means, no investments will be made into certain sectors, and no new investments will be made into holdings deemed Non-Compliant in the controversy (norms-based) screening.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.espiria.se.

Further information is also found in the Annual Sustainable Investment Report.

For specific questions regarding this pre-contractual disclosure the East Capital Group ESG function can be contacted at esg@eastcapital.com.