



VAN LANSCHOT  
KEMPEN

INVESTMENT MANAGEMENT

# Prospectus

BestSelect AIF Funds

5 July 2024

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## Definitions

In this Prospectus, capitalised words and abbreviations have the following meaning, unless explicitly stated otherwise.

Definition	meaning
Affiliated Fund	An investment institution managed by a subsidiary of the Van Lanschot Kempen NV
AFM	The Dutch Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> )
AIF	Alternative Investment Fund as mentioned in the Alternative Investment Fund Managers Directive 2011/61/EC
AIFMD	Alternative Investment Fund Managers Directive 2011/61/EC
Annex	The Annex of this Prospectus being the Terms and Conditions
BGfo	The Dutch Decree on Conduct of Business Supervision of Financial Undertakings under the Wft ( <i>Besluit Gedragstoezicht financiële ondernemingen Wft</i> )
Business Day	A day on which Euronext Amsterdam is open for trading. In case more than 50% of the underlying assets of Sub-Fund are traded in the US, both Euronext Amsterdam and the US markets should be open for trading to be considered as a Business Day
Cut-off Time	The time (16:00 Amsterdam time) by which orders must be received by the Transfer Agent to be accepted for execution on the next Dealing Day
Class or Classes	The Management Company may decide to issue, within each Sub-Fund, separate Classes of Participations (hereafter referred to as "Class" or "Classes") whose assets will be commonly invested but where a specific fee structure, minimum investment amount, specific remittance reduction (see Chapter 9 'Tax position'), distribution policy or other feature may be applied.
Dealing Day	The Business Day on which Participations may be issued or redeemed
Depository	BNP Paribas S.A., Netherlands Branch, which has its office at Herengracht 595, 1017 CE Amsterdam, the Netherlands, in its capacity as Depository of the Fund as referred to in Section 1:1 Wft. BNP Paribas S.A. is a licensed bank incorporated in France as a Société Anonyme (public limited company) under No. 662 042 449, authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with its registered address at 16, boulevard des Italiens, 75009 Paris, France
Distributor	An investment company with which the Management Company has established a Distribution Agreement, on the basis of which this investment company offers Participations to clients and may buy or sell Participations on behalf of its clients at the clients' own risk.
Distribution Agreement	An agreement between the Management Company and the Distributor which lays down the rights and obligations with respect to the sale of Participations via the Distributor
ESG	The environmental, social and governance criteria for responsible investments. The Management Company bases its criteria for responsible investment on the international conventions such as the United Nations Global Compact (UNGC) and the Principles for Responsible Investment (PRI). In combination with the Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises, these two frameworks build the foundation the Management Company's 'Convention Library'.
ESMA	The European Securities and Markets Authority
€	Euro
Euronext Amsterdam	The Euronext Fund Services segment of Euronext Amsterdam NV
Financial Year	1 January – 31 December
Fund	BestSelect AIF Funds
Investment Manager	A Investment Manager to which the Management Company has delegated the implementation of the investment policy of (a part of) the Sub-Fund in line with the relevant Sub-Fund Specific Information.
KID	Key Information Document

Definition	meaning
Legal Owner	Juridisch eigenaar Kempen AIF BV is charged with holding the legal ownership of the Fund's assets.
Management Company	Van Lanschot Kempen Investment Management NV, the management company of the Fund
Net Asset Value	The Net Asset Value of the relevant Class of the Sub-Fund
Net Asset Value per Participation	The Net Asset Value divided by the number of outstanding Participations of the relevant Class of the Sub-Fund
Participant	The holder of a Participation
Participation	A participation in the Sub-Fund's assets, i.e. the proportionate parts into which the economic rights of the Participants with respect to the Sub-Fund's assets have been divided.
Paying Agent	Van Lanschot Kempen NV, which acts on behalf of the Fund and provides services such as facilitating payments of dividends.
Prospectus	The Fund's Prospectus and the accompanying Sub-Fund Specific Information Annex and inserts.
SDG	Sustainable Development Goal, one of 17 goals as part of the United Nations 2030 Agenda for Sustainable Development
SFDR	Regulation(EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as might be amended, completed or supplemented.
Sub-Fund	That part of the assets and liabilities of the Fund to which the Participants of a predefined Sub-Fund, divided in Classes, are entitled
Sub-Fund Specific Information	The supplement to the Prospectus that contains specific information about the Sub-Fund
Taxonomy Regulation	Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as might be amended, completed or supplemented.
Terms and Conditions	The Terms and Conditions of the Fund, governing the relationship between the Management Company, Legal Owner and the Participants
Transaction Price	The price at which the Fund issues or redeems Participations, equal to the Net Asset Value per Participation adjusted for an upward or downward swing factor
Transfer Agent	Van Lanschot Kempen NV, the party acting on behalf of the Fund which facilitates the acceptance or refusal and execution of issue and redemption applications for the Sub-Funds.
UCITS	Undertaking for Collective Investment in Transferable Securities as mentioned in the UCITS Directive
UCITS Directive	Directive 2009/65/EC, as lastly amended by Directive 2014/91/EU, Regulation (EU) 2017/2402 and Directive (EU) 2019/2162 of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions
Valuation Day	The Business Day on which the Net Asset Value per Participation is calculated
Van Lanschot Kempen	All entities, companies and branches belonging to Van Lanschot Kempen NV
Website	<a href="http://www.vanlanschotkempen.com/investment-management">www.vanlanschotkempen.com/investment-management</a>
Wft	The Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ) and the further regulations under or pursuant to Wft.

Unless expressly stated otherwise, a definition given here for a term in the singular also applies to the plural and vice-versa.

## Important Information

This Prospectus has been compiled in accordance with the requirements of the Wft. The Prospectus is intended to provide information on the Fund and the Participations, so that investors are able to make an informed judgment of the Fund and the costs and risks associated with an investment.

The Participations are offered exclusively on the basis of the information provided in this Prospectus. Prospective Participants should be aware of the financial risks involved in investing in Participations. They are strongly advised to read this Prospectus with care and acquaint themselves with the entire contents before deciding whether to purchase Participations. The information provided in this Prospectus is not intended as investment advice.

The value of the Participation may rise or fall and past performance is no guarantee for future results. Participants may lose part or all of their investment.

Only the Management Company is authorised to provide information or make representations relating to this Prospectus. Investors who buy Participations on the basis of information different from that provided in the Prospectus do so entirely at their own risk. It cannot be guaranteed that the information contained in this Prospectus is still correct after the date of publication of this Prospectus.

The publication and distribution of this Prospectus and the offering, sale and delivery of Participations may, in certain jurisdictions, be restricted by law. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy Participations in a jurisdiction in which such offer or solicitation is not permitted or to a person to whom it is not permitted to make such offer or solicitation, among which 'U.S. persons' (as such term is defined for purposes of Rule 902 of Regulation S of the Securities Act) and persons that are in the United States. The Fund requests all persons coming into the possession of this Prospectus to acquaint themselves with and observe such restrictions. The Sub-Fund accepts no liability whatsoever for non-observance of these restrictions, irrespective of whether it concerns a prospective Participant.

The Participations have not been (and will not be) registered under the United States of America Securities Act of 1933, as amended (the 'Securities Act') or any other securities law of the United States (as defined below) and may not directly or indirectly be offered or sold in or delivered to the United States of America or any state of the United States of America, its territories or possessions or the District of Columbia (the 'United States') except in accordance with Regulation S of the Securities Act or on the basis of another exception to or exemption from the registration requirements under the Securities Act and other United States securities laws. The Fund intends to offer and sell Participations only to persons that are not 'U.S. persons' (as such term is defined for purposes of Rule 902 of Regulation S of the Securities Act) and that are not in the United States.

The Fund has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. The Management Company is currently not registered as an investment adviser under the United States Investment Advisers Act of 1940, as amended. Purchasers of Participations therefore should not expect to benefit from the investor protections under those laws or the Securities Act.

In accordance with U.S. FATCA regulations and the Dutch regulations that have been implemented as a result of these U.S. FATCA regulations, the Management Company and/or the Sub-Fund may request (additional) information from the Participants to ensure their compliance with relevant FATCA requirements. The Sub-Fund policy entails that no Participations will be offered to any person that is, or would act for the account and benefit of any person that would be, considered resident of the U.S. for FATCA purposes. This includes any person that qualifies as "U.S. person" under FATCA regulations, or an equivalent qualification under relevant Dutch regulations (implementing such FATCA regulations) –as applicable or as may become applicable in the future–, and non-FATCA compliant financial institutions. In the interest of the Sub-Fund and its Participants, the Management Company and/or the Sub-Fund may at its full discretion deny the offering of Participations to any person, or redeem Participations held by a relevant Participants, or take any other appropriate measures to ensure compliance with relevant FATCA or equivalent requirements, including the withholding or suspending of payments to a non-FATCA compliant financial institution.

This Prospectus is governed by the laws of the Netherlands. The Prospectus is only published in the English language. Any translations made of this Prospectus are made purely for the sake of convenience. The Prospectus in English should be regarded at all times as the authoritative text, unless explicitly stated otherwise. In the event of any differences of interpretation between the Prospectus in English and a translation of the Prospectus, the Prospectus in English should be taken as the source text.

# 1. General Information

## 1.1 Introduction

BestSelect AIF Funds offers investors efficient access to leading international Investment Managers. Each Sub-Fund has its own carefully defined investment mandate which fits within the overall investment policy, does justice to the specific added value of the Investment Manager and is in line with the policies of the Management Company, among which the Responsible Investment Policy.

## 1.2 Legal structure

The Fund is a fund for joint account (*fonds voor gemene rekening*) and therefore not a legal entity. The Fund was established on 27 February 2002. Legal entitlement to the assets in the Fund lies with the Legal Owner of the Fund assets on behalf of the Participants subject to the Terms and Conditions. All obligations which form or will form the Fund are entered into in the Legal Owner's name.

The Fund is a so-called umbrella fund and is subdivided in the following Sub-Funds:

1. BestSelect-UBS SRI Global Equity
2. MercLan Bond Fund

Within each Sub-Fund different Classes of Participations may be created. Each Class of Participations represents the entitlement to the assets and liabilities of a predefined Sub-Fund. Each Sub-Fund invests its assets in an investment portfolio, which (depending on the number of Participations in each Class) will partly be accounted. A list of the available Classes of Participations for each Sub-Fund is disclosed in the Sub-Fund Specific Information of this Prospectus.

Each Sub-Fund will be administrated on separate accounts, so all proceeds and expenses that can be attributed to that Sub-Fund will be accounted for separately. Each Class will also be administered on separate accounts limited to the specific characteristics of the concerning Class. Both positive changes in the value of the investment portfolio of a Sub-Fund and as negative changes will be attributed to the Participants in the Class of that Sub-Fund. Classes have a different Net Asset Value development and cost structure. This will be shown in the Net Asset Value per Participation of the Class which represents the entitlement to the relevant Sub-Fund. A detailed description of each Sub-Fund can be found in the relevant Sub-Fund Specific Information.

Fund	Management Company	Legal Owner
BestSelect AIF Funds	Van Lanschot Kempen Investment Management NV	Juridisch Eigenaar Kempen AIF BV
Beethovenstraat 300	Beethovenstraat 300	Beethovenstraat 300
1077 WZ Amsterdam	1077 WZ Amsterdam	1077 WZ Amsterdam
The Netherlands	The Netherlands	The Netherlands
P.O. Box 75666	Website	P.O. Box 75666
1070 AR Amsterdam	<a href="http://www.vanlanschotkempen.com/investment-management">www.vanlanschotkempen.com/ investment-management</a>	1070 AR Amsterdam
The Netherlands	Tel. +31 (0)20 348 8910	The Netherlands
<b>Paying and Transfer Agent</b>	<b>Depository and Fund Administrator</b>	<b>External Auditor</b>
Van Lanschot Kempen NV	BNP Paribas S.A., Netherlands Branch	PricewaterhouseCoopers Accountants NV
Hooge Steenweg 29	Herengracht 595	Fascinatio Boulevard 350
5211 JN 's-Hertogenbosch	1017 CE Amsterdam	3065 WB Rotterdam
The Netherlands	The Netherlands	The Netherlands
<b>Proxy advisor</b>		

Institutional Shareholder Services Europe S.A.		
166, Chaussee de La Hulpe		
1170 Brussels		
Belgium		

The Fund is an AIF. This means that the Fund is not subject to the requirements for an “Undertaking for Collective Investment in Transferable Securities” as mentioned in the UCITS Directive and therefore it is not subject to a number of investment restrictions such as eligible assets requirements and portfolio diversification.

The Management Company and the Fund are subject to the Dutch retail regime as referred to in section 4:37p Wft. The Participations are offered in the Netherlands and in the jurisdictions as mentioned on the Website, taking into account applicable selling restrictions.

### 1.3 Management Company

Van Lanschot Kempen Investment Management NV is the Management Company of the Fund. The members of the management board of Van Lanschot Kempen Investment Management NV are:

- Mr W.H. van Houwelingen; and
- Mr E.J.G. Jansen.

W.H. van Houwelingen is chairman of Van Lanschot Kempen Investment Management NV and member of the management board of Van Lanschot Kempen NV. E.J.G. Jansen is also director of Quion 17 BV, a 100% subsidiary of Van Lanschot Kempen NV.

Van Lanschot Kempen Investment Management NV is licensed as a management company pursuant to Section 2:65 and 2:69b of the Wft.

Van Lanschot Kempen Investment Management NV is also the Management Company of other investment institutions, both AIFs and UCITS, in which capacity it is required pursuant to the Wft to be licensed to offer units and is under the supervision of the AFM. These investment institutions for which relevant documentation can be found on the Website are, as per date of this Prospectus.:

Amstel Participatiefonds	Isar Participatiefonds	Magnolia Participatiefonds
Arno Participatiefonds	Kempen Alternative Investment Fund SICAV	MercLan NV
Beleggingsfonds ‘De Zonnewijzer’	Kempen Alternative Markets Fund SICAV-RAIF	MercLan Institutional Fund NV
Berkel Participatiefonds	Kempen European High Dividend Fund NV	Merwede Participatiefonds
BestSelect Funds	Kempen Global Property Fund NV	Moezel Participatiefonds
DeltaHaven I BV	Kempen International Funds SICAV	Oleander Participatiefonds
DeltaHaven IA BV	Kempen Orange Fund NV	Passade BV
DeltaHaven III BV	Kempen Oranje Participaties NV	PassadeHaven BV
DeltaHaven IV BV	Kempen Oranje Participaties Primo	PassadeHaven II BV
DeltaHaven VI BV	Kempen Oranje Participaties Secundo	PassadeHaven III BV
DeltaHaven VII BV	Kempen Oranje Participaties Tertio	Rhône Participatiefonds
Dinkel Participatiefonds	Kempen Private Real Estate Pool	Rotte Participatiefonds
Dommel Participatiefonds	Kempen Profiefondsen NV	Schelde Participatiefonds
Donau Participatiefonds	Kempen SDG Farmland Fund	Seine Participatiefonds
Dordogne Participatiefonds	Kempen SDG Farmland Fund Feeder Coöperatief UA	Spaarne Participatiefonds
Eems Participatiefonds	Kempen Umbrella Coöperatief UA	Spree Participatiefonds



Elbe Participatiefonds	Kempen Umbrella Fund I NV	Theems Participatiefonds
Evi van Lanschot Paraplufonds NV	Kempen Umbrella Fund II NV	Tiber Participatiefonds
Global Farmland Pool	Linge Participatiefonds	Van Lanschot Kempen Mandaatfondsen
HNPf Private Real Estate Pool	Linth Participatiefonds	Van Lanschot Kempen Vermogensfondsen
Houdstermaatschappij BV	Loire Participatiefonds	Vecht Participatiefonds
IJssel Participatiefonds	Maas Participatiefonds	Waal Participatiefonds

In accordance with the requirements of section 9.7 of the AIFMD, the Management Company has additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

## 1.4 Investment Managers

The Management Company is responsible for the investment policy of each Sub-Fund. The Management Company can delegate the execution of the investment policy of a Sub-Fund under its responsibility and control to one or more Investment Managers. A specified mandate is provided to an Investment Manager within the investment policy of the Sub-Fund. The Sub-Fund Specific Information indicates for each Sub-Fund whether an Investment Manager has been appointed.

The agreements with Investment Managers include provisions for mutual information provision, the (formal) notice period, the remuneration and the investment guidelines with regard to the issued mandate.

## 1.5 Fund administrator

The Management Company and BNP Paribas S.A., Netherlands Branch have entered into a fund administration agreement. BNP Paribas S.A., Netherlands Branch is amongst others responsible for the fund administration and calculation of the Net Asset Value. The agreement is governed by Dutch law and disputes arising out of or in connection with this agreement will be submitted to the district court of Amsterdam, The Netherlands.

## 1.6 Legal Owner

In the Terms and Conditions between the Management Company and the Legal Owner it is determined that the management of the Fund will be executed by the Management Company. The Legal Owner, Juridisch eigenaar Kempen AIF BV, is independent of the Management Company, and is charged with holding the legal ownership of the assets of the Fund. The Terms and Conditions are included at the back of the Prospectus.

The management of the Legal Owner is conducted by Van Lanschot Kempen Bewaarder NV. The statutory directors of Van Lanschot Kempen Bewaarder NV are:

- Mr F.J.H. van Riel;
- Mr B.J. Spits; and
- Mr J. Visser.

## 1.7 Depositary

BNP Paribas S. A., Netherlands Branch has been appointed to act as Depositary of each Sub-Fund of the Fund. The Depositary is entrusted with, inter alia, the custody of all the assets of each Sub-Fund of the Fund, which will be held either directly or through correspondents, nominees, agents or delegates of the Depositary. The Depositary will at all times maintain all of the assets of the Fund in its custody in fiduciary accounts separate from its own assets and liabilities.

The Depositary shall be entrusted with the following duties:

- a. safe-keeping of the assets that can be held in custody;
- b. record-keeping of assets that cannot be held in custody, in which case the Depositary must verify their ownership;
- c. ensure that the Fund's cash flows are properly monitored, and in particular ensure that all payments made by or on behalf of Participants upon the subscription of Participations have been received and that all cash of the Fund has been booked in cash accounts that the Depositary can monitor and reconcile;
- d. ensure that the Net Asset Value per Participation is calculated in accordance with applicable laws and the Terms and Conditions;

- e. carry out the instructions of the Management Company, unless they conflict with applicable laws or the Terms and Conditions;
- f. ensure that the sale, issue, repurchase, redemption and cancellation of Participations effected on behalf of the Fund are carried out in accordance with applicable law and the Terms and Conditions;
- g. ensure that in transactions involving the assets of Fund, the consideration is remitted to it within the usual time limits;
- h. ensure that the income of the Fund is applied in accordance with the Terms and Conditions;
- i. other services, such as tax documentation management services.

Conflicts of interest may arise if and when the Management Company or the Fund maintains other business relationships with BNP Paribas S.A., Netherlands Branch in parallel with an appointment of BNP Paribas S.A., Netherlands Branch acting as Depositary. In relation to the Fund, BNP Paribas S.A., Netherlands Branch is acting as Depositary and will also provide the Fund or the Management Company with fund administration services, including Net Asset Value calculation.

In order to address situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - Relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members;
  - Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned client, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary delegated safekeeping functions to sub-custodians. A description of the safekeeping functions delegated by the Depositary, an up-to-date list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation, will be available on the Website, or will be made available to the Participant on request.

In relation to the Depositary's duties regarding the safe-keeping of financial instruments that can be held in custody, unless pursuant to Section 21(12) of the AIFMD Directive the Depositary can prove that the 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 is liable to the Fund or the Participants for any loss of such financial instruments held by the Depositary or by any of its delegates.

In relation to all other Depositary's duties as referred to in paragraphs (b) – (h), the Depositary is liable to the Fund or the Participants for all other losses suffered by it or them as a result of the Depositary's negligent or intentional failure to properly fulfil such obligations.

The Depositary, and any affiliates or third parties to whom safekeeping duties are delegated, may not re-use the assets of the Fund without the express consent of, and the execution of an appropriate agreement with regard to such activity with the Fund or the Management Company acting on behalf of the Fund.

The Depositary or the Management Company may terminate the appointment of the Depositary at any time upon ninety days' prior notice delivered by one to the other. In the event of termination of the appointment of the Depositary, the Management Company will use best endeavours to appoint, as soon as possible after notice of termination, a new depositary who assumes the responsibilities and functions of the Depositary.

Pending the appointment of a new depositary, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Participants. After termination as aforesaid, the appointment of the Depositary shall continue thereafter for such period as may be necessary to effect the transfer of all assets of the Fund to the new Depositary.

A copy of the agreement between the Management Company and the Depositary is obtainable by Participants on request at the office address of the Management Company at cost.

## 1.8 External auditor

The external auditor of the Fund is PricewaterhouseCoopers Accountants NV.

## 1.9 Related parties

The Legal Owner is a 100% subsidiary of Van Lanschot Kempen Bewaarder NV. Van Lanschot Kempen Bewaarder NV is an indirect subsidiary of Van Lanschot Kempen NV. Van Lanschot Kempen Investment Management NV is a 100% subsidiary of Van Lanschot Kempen NV.

The Fund, the Sub-Fund, the Management Company, the Depositary and the Legal Owner may use the services of related parties. The Management Company considers that these services are provided by related parties at arm's length terms and conditions. If transactions in financial instruments with related parties are entered into other than on a regulated market or on another market in financial instruments, it will be on the basis of an independent valuation or a valuation by one or more of the parties to the transaction. The Management Company has established and implemented a policy on conflicts of interest. Information on this policy, the "Conflict of interest policy" is published on the Website.

## 1.10 Agreements with related parties and delegation of activities

### 1.10.1 Investment Managers

The Management Company may delegate the execution of the investment policy of a Sub-Fund under its responsibility and control to one or more Investment Managers. Investment Managers may in some cases have the possibility to delegate their tasks to third parties, in some cases to entities that operate in a holding structure within the same group. These agreements are carried out on terms that are customary in the market. The Agreements with Investment Managers can be terminated at any time by the Management Company, if it is in the interests of the Participants in the Sub-Fund and if there are guarantees relating to the continuity. In principle, Dutch law applies to the agreements that the Management Company enters into with Investment Managers; any deviation from this will be stated in the relevant Sub-Fund Specific Information.

### 1.10.2 Van Lanschot Kempen NV

The Fund and the Management Company do not employ any personnel. All employees working for the Management Company are employed by Van Lanschot Kempen NV. The Management Company uses the support services from Van Lanschot Kempen NV, including the services of Legal, Compliance, the Internal Audit department, HR and Group ICT. A specialist Risk Management team from Van Lanschot Kempen NV has been seconded to the Management Company to carry out, under the exclusive ultimate responsibility of the Management Company, the risk management function in relation to managing the Sub-Fund.

As described in the paragraph "Fund administrator" of this chapter 1, the Management Company has delegated the fund administration and accounting services (as referred to in Annex 1, part 2 sub (a) of the AIFMD) regarding the Fund to BNP Paribas S.A., Netherlands Branch. The Management Company has delegated the investment management function as referred to in annex I, part 1 of the AIFMD to the Investment Manager stated in the Sub-Fund Specific Information of the Sub-Fund.

The Management Company and Van Lanschot Kempen NV have entered into a Distribution Agreement. The agreement is governed by Dutch law and disputes arising out of or in connection with this agreement will be submitted to the district court of Amsterdam, The Netherlands.

The Legal Owner, the Management Company (on behalf of the Fund) and Van Lanschot Kempen NV have entered into an agreement whereby Van Lanschot Kempen NV is appointed as Paying Agent and Transfer Agent of the Fund.

The Sub-Funds may also obtain credit from or deposit cash with Van Lanschot Kempen NV on a temporary or longer-term basis. Further conditions will be agreed as and when such a transaction arises.

Information on any fees charged to the Fund relating to the aforementioned agreements is given in Chapter 7 'Costs and Charges' and the relevant Sub-Fund Specific Information of the Sub-Fund.

## 2. Investment Policy

### 2.1 Introduction

The Fund is subdivided into Sub-Funds, each with their own investment policy, risk profile and investment restrictions.

The specific investment policy per Sub-Fund is described in the Sub-Fund Specific Information Sub-Fund Specific Information of the respective Sub-Fund. The general investment policy applicable to each Sub-Fund is set out below. Deviations from the general investment policy and guidelines are stated in the Sub-Fund Specific Information.

### 2.2 General investment policy and guidelines

#### 2.2.1 Investment universe

The majority of the financial instruments in which a Sub-Fund invests, are traded on a regulated market. A Sub-Fund may purchase and sell financial instruments on different trading venues such as multilateral trading facilities.

A Sub-Fund may also invest in liquidities and deposits denominated in euros and foreign currencies. Liquidities may also be invested in Instruments such as commercial paper and short-term government bonds may be used to manage liquidities.

#### 2.2.2 Investment guidelines

A Sub-Fund may Invest in the selected financial instruments either directly or indirectly, by investing in other investment institutions or derivative positions, such as options, warrants and futures.

These derivative positions, may be used for both efficient portfolio management and hedging purposes. In the event that these derivatives are traded over-the-counter, the documentation that is customary in the market will be used.

Investment institutions in which investments are made can also use derivative (financial) instruments.

#### 2.2.3 Leverage

Borrowing may not be undertaken to finance the investments, except for short-term borrowings (maximum 1 month) up to a limit of 10% of the Sub-Fund assets and solely for the purpose of efficient portfolio management. The Management Company may decide to allow a larger position if deemed necessary from the perspective of portfolio management (e.g. in the event of a significant change in the number of units issued or redeemed).

The Sub-Fund does not use leverage for speculative purposes in order to increase the exposure of the Sub-Fund, such as investing with borrowed money, or through the use of derivatives. Leverage techniques will only be used for risk hedging purposes or on a temporary basis, in the context of efficient portfolio management. In some cases, the Sub-Fund may temporarily have a limited overdraft on the current account, for example as a result of the settlement of purchase and sale transactions or the acceptance of requests for redemptions.

The leverage ratio is expressed as a percentage of the Net Asset Value. A leverage ratio of 100% implies that there is no leverage and that the economic exposure of the Sub-Fund is the same as the Net Asset Value. A leverage ratio above 100% indicates the Sub-Fund is leveraged, meaning the economic exposure is larger than the Net Asset Value.

The leverage ratio is calculated in accordance with two methodologies for calculating the exposure of a Sub-Fund, the commitment method and the gross method as explained in the below table.

Leverage calculation methods	Calculation methodology explained
'Commitment leverage method'	A methodology for calculating risk in terms of exposure affecting the market risk of the underlying investments held in a Sub-Fund. This is the sum of the absolute values of all positions and all equivalent positions in the underlying assets of all financial derivative instruments

Leverage calculation methods	Calculation methodology explained
	entered into by the Sub-Fund in accordance with the conversion methodologies for net exposure calculation, expressed as a percentage of total net assets. Netting and hedging arrangements can be taken into consideration, where the market value of underlying security positions may be offset by other commitments related to the same underlying positions.
'Gross leverage method'	A methodology for calculating risk in terms of exposure affecting the market risk of the underlying investments held in a Sub-Fund. This methodology does not take into account any netting or hedging of positions. This is the sum of the absolute values of all positions and all equivalent positions in the underlying assets of all financial derivative instruments entered into by the Sub-Fund in accordance with the conversion methodologies for gross exposure calculation, expressed as a percentage of total net assets. The value of any cash and cash equivalents (including borrowings) which are highly liquid and in the base currency is excluded from the calculation.

A Sub-Fund may finance up to 10% of the total assets with short-term borrowing. The leverage ratio as a result of borrowing money and / or through the use of derivative (financial) instruments amounts to a maximum of 110% under the Commitment and 300% under the Gross method.

#### 2.2.4 Investment restrictions

The investment restrictions are in the Sub-Fund Specific Information of each Sub-Fund.

#### 2.2.5 Securities lending

The Sub-Funds neither borrows financial instruments on the financial markets nor offers third parties the possibility to lend financial instruments they hold in portfolio (securities lending).

#### 2.2.6 Responsible investment (ESG)

The Management Company is a responsible asset manager with a long-term investment horizon and strongly believes in engaged ownership and stewardship. The Management Company bases its environmental, social and governance (ESG) criteria for responsible investments on international principles and conventions, such as the United Nations Global Compact (UNGC), the United Nations Guiding Principles for Business and Human Rights (UNGPR), the Principles for Responsible Investment (UNPRI) and the OECD Guidelines for Multinational Enterprises. The ESG criteria form an integral part of the Management Company's investment process and constitute binding elements for the investment selection, which are applied via Exclusion, ESG integration and Active ownership. Compliance is monitored on a regular basis. The investment process also takes into account sustainability risk and ESG risks. These topics are dealt with in more detail below.

##### ESG integration

As part of ESG integration, the Management Company performs an in-depth analysis of ESG risks and opportunities when selecting and monitoring investments. The material ESG risks and opportunities of investee companies are assessed on a case-by-case basis. This includes an assessment of good governance practices. The investee companies are rated for governance aspects using external ratings as well as making internal assessments. In evaluating a security or issuer based on ESG criteria, the Management Company may also rely on information and data from third party ESG advisers.

##### Exclusion

As part of the Management Company's Exclusion approach, companies involved in the production of controversial weapons and tobacco are excluded from the investment universe, as well as companies that derive significant revenue from distribution, retail and supply of tobacco products are excluded. Controversial weapons are defined as anti-personnel mines, cluster ammunition, chemical weapons, biological weapons and nuclear weapons. Companies that structurally violate international principles and conventions, such as the UNGC, the UNGPR, UNPRI and the OECD Guidelines for Multinational Enterprises, and show no willingness to improve will be excluded as well. Investee companies that show insufficient results and improvement of their performance with respect to ESG related criteria despite engagement efforts (see next paragraph) may also be excluded.

### Active ownership

As part of its Active ownership approach, the Management Company believes in engagement with its investee companies with the aim to achieve positive change on specific ESG topics. In case of equity investments, the Management Company can use its voting rights on Annual General Meetings as another instrument to encourage companies to improve their ESG policies and practices.

### ESG risks due diligence

The Management Company applies adequate due diligence measures when selecting the assets and such due diligence measures take into account sustainability risk and ESG related risks, as the Management considers this helps to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Funds. Sustainability risk assessment results in a rating (see sub-paragraph “Sustainability risk disclosures (article 7 SFDR)” below).

In the process of selecting Investment Managers, the Management Company assesses the capabilities of the Investment Managers to implement the Management Company's criteria for responsible investment. The Management Company has the relevant qualifications and expertise with respect to ESG related topics.

ESG criteria are integrated in the investment process: the Management Company performs an in-depth analysis on how the Investment Managers assess ESG risks and opportunities when selecting and monitoring investments.

In addition, the Investment Manager has integrated its own ESG approach when selecting companies for investment and the monitoring of these companies.

Periodically the ESG profiles of the portfolio and the investee companies are also screened by the Management Company to assure that they are in line with the Management Company's ESG criteria. This includes an assessment of good governance practices. The investee companies are rated for governance aspects using external scores as well as internal assessments. In evaluating a security or issuer based on ESG criteria, the Management Company may also rely on information and data from third party ESG advisers. The Management Company believes in engagement with its Investment Managers with the aim to achieve positive change on ESG topics (active ownership).

### Sustainability risk disclosures (article 7 SFDR)

For the investments held in the Fund, the Investment Manager takes sustainability risks into consideration when taking investment decisions. Sustainability risks are defined as environmental, social or governance (ESG) factors that, if they occur, could cause an actual or a potential material negative impact on the value of an investment and/or on the returns from the investment (see SFDR, article 2 (22)).

Sustainability risks can either represent a risk of its own or indirectly have an adverse impact on the overall portfolio risk, including market risks, liquidity risks, credit risks or operational risks.

The assessment of sustainability risks is integrated into the investment decision process and the investments are periodically screened as described in the ESG Policy and Process for the specific Sub-Fund.

The impacts following the occurrence of a sustainability risk may be many and vary depending on the specific ESG risk, asset class and/ or region. As a result, the assessment of the likely impact of sustainability risks on the Fund's return will depend on the type of securities held in the portfolio. We view the following **types of sustainability risks** as likely to impact the return of a Sub-Fund:

- a. **Environmental risks:** they include, but are not limited to, the ability of investee companies to mitigate and adapt to climate change, the potential for carbon price increases, the dependency and impact on biodiversity and ecosystems, exposure to increasing water scarce areas and water price increases, natural resource crises, and waste management, hazardous materials and circularity challenges.
- b. **Social risks:** they include, but are not limited to, human and labour rights and conditions, occupational health and safety, fair working conditions, diversity, human capital, product safety, supply chain management standards, privacy & data security concerns and community relations.
- c. **Governance risks:** they include, but are not limited to, ownership structures, board composition and effectiveness, management incentives, management quality, stakeholder management, audit quality, tax transparency, business ethics, and political instability.

These sustainability risks have been assessed as likely to have the following impacts on the returns from investments held by a Sub-Fund:

- a. **Equity and equity-related securities:** sustainability risks may affect the price of a stock, they may impact the investee company's ability to pay a dividend or result in the need to raise capital.
- b. **Fixed income securities:** sustainability risks can affect the borrowers' cash flows, affect their ability to meet their debt obligations and may also affect the credit quality or pricing of corporate issuers, sovereigns and other government-related issuers. Failure to manage sustainability risks can result in deterioration in the credit rating or pricing.
- c. **Other financial investments/ exposures like cash/ near cash, money market instruments, foreign exchange rates, interest rates and derivatives:** sustainability risks impacting sovereigns and other government related issuers, and corporate issuers of money market instruments and near cash are similar to those affecting fixed income securities in terms of credit quality, pricing and/or the value of currencies. Sustainability risks impacting sovereigns or may also affect foreign exchange rates and interest rates for currencies associated with such sovereign. For derivatives, the factors explained above can also affect the performance of a derivative though the impact on the underlying exposure.

More information about how the Management Company integrates responsible investment and ESG, including disclosures required under the SFDR and Taxonomy Regulation, can be found on [www.vanlanschotkempen.com/en-nl/investment-management/sustainability-approach/sustainable-investment-policies-and-publications](http://www.vanlanschotkempen.com/en-nl/investment-management/sustainability-approach/sustainable-investment-policies-and-publications).

For each Sub-Fund, details about the environmental and/or social characteristics promoted are available in the relevant Sub-Fund Specific Information to this Prospectus and the completed SFDR precontractual template attached to it.

More information on the implementation of responsible investing and ESG for a specific Sub-Fund can be found on [www.vanlanschotkempen.com/investment-management](http://www.vanlanschotkempen.com/investment-management) by selecting the relevant Sub-Fund and Class via the button "Fund library" and by clicking on the tab "Sustainability-related disclosures".

### 2.2.7 Voting policy

If a Sub Fund has an interest in the share capital of a listed company, it will in principle exercise its voting rights at shareholders' meetings. At such meetings, it will act in the Participants' interests. Implementation of the investment policy is delegated to this end to specialised Investment Managers within a carefully defined mandate. The Management Company determines for each Sub-Fund whether the implementation of voting policy should be part of the mandate. The Management Company reserve the right to exercise voting rights or solicit the exercise of voting rights at any time that they deem such to be in the interest of the investors in the relevant Sub-Fund. The Management Company is allowed to use independent governance research and voting advice from specialist international proxy advisors, and may use electronic voting platforms to cast votes. The Investment Manager has a publicly available and periodically updated voting policy. Records of the Investment Manager's voting behaviour are also made publicly available to enable the Management Company to engage the Investment Manager on the Investment Manager's voting policy and behaviour and to enable collaboration between the Management Company and the Investment Manager on engagement with individual holdings in the Sub-Funds portfolio. The voting policy is explained in more detail in the Sub-Fund Specific Information and on the Website.

## 3. Risk management systems and risk factors

The Sub-Funds may be suitable for investors who accept that a Sub-Fund's return is volatile and there is significant downside risk.

The value of a Participation in a Sub-Fund is affected by movements on the financial markets and may fluctuate. Past performance is no guarantee for future returns. The investment may rise in value, but it may also generate little or no income and, if prices fall, Participants may lose part or all of their investment.

### 3.1 Risk management

The Management Company has implemented a risk-management process in order to appropriately identify, measure, manage and monitor all relevant risks. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any over-the-counter ("OTC") derivative instruments (where relevant).

### 3.2 Liquidity management

The Management Company maintains a liquidity management process to monitor the liquidity risk of the Sub-Funds, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions.

#### 3.2.1 Liquidity management tools of the Fund to manage temporary constrained market liquidity

The liquidity management systems and procedures allow the Management Company to apply various tools and arrangements necessary to ensure that the portfolio of each Sub-Fund is sufficiently liquid to normally respond appropriately to redemption requests, if permitted in relation to a Sub-Fund.

This section provides an overview of liquidity management tools and arrangement that the Management Company may utilize to mitigate liquidity risk in its investment vehicles. It's essential to note that some liquidity management tools and arrangement listed below are applicable the Fund. The Sub-Fund Specific Information states whether a liquidity management tool is applicable and/or activated.

#### Swing pricing

A swing price is an adjustment of the net asset value based on the magnitude of net inflows or outflows. When significant inflows occur, swing pricing increases the NAV per share to reflect the costs of buying additional securities to meet the demand. Conversely, during significant outflows, swing pricing reduces the NAV per share to account for the costs of selling securities to meet redemption requests. This adjustment helps prevent the dilution impact on existing shareholders by transferring the transaction costs to the ones initiating the inflows or outflows. Note that swing pricing shall be used only in best interest of shareholders by ensuring fair treatment and protecting their interests. Moreover, swing pricing shall not be used for any kind of penalization of shareholders under any circumstances.

#### Suspension of redemption rights

The suspension of redemption rights refers to disabling investors from redeeming their participations. This measure is typically temporary and is implemented in times of market stress or when the valuation of the portfolio cannot be accurately determined. There are various reasons for suspension of redemptions as stated in section "5.3 Suspension or limitation", such as when the market trading the underlying assets is closed or to avoid a sudden outflow of capital that could have negative implications for the investment vehicle. Generally, a suspension of redemptions is considered a last resort and is only used when all other options have been exhausted.

### 3.3 Risk factors

The Management Company considers the following risk factors to be relevant to your investment. These risk factors, which may adversely affect the value of and return on the Participations to a greater or lesser extent, are discussed below in order of relevance. The following summary of risk factors is not limitative and circumstances may arise that are not covered here but may result in the actual returns differing from the expected returns indicated in this Prospectus.



The risk factors below associated with investing in a Sub-Fund are of a general nature. In addition, the specific risk factors of investing in a particular Sub-Fund or deviations from the risk factors below for a specific Sub-Fund are listed in the relevant Sub-Fund Specific Information.

Before deciding to invest in a Sub-Fund, prospective Participants should also carefully consider the other information presented in this Prospectus as well as the risk factors, including the specific information in the relevant Sub-Fund Specific Information. The below description relates to the risks to which a Sub-Fund may be exposed, either directly or indirectly via underlying investment institutions or other Financial Instruments.

### 3.3.1 Market risk

The Fund's investments are exposed to normal market movements and the risks inherent in investing in financial instruments. The value of the underlying holdings may fluctuate and may rise or fall depending on many factors, such as expectations of economic growth, inflation and prices on financial markets. The value of the investments may also fluctuate, for example, in response to political and monetary developments. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Market risk may vary from asset class to asset class, but may be increased by restricting the investments to a particular region or sector and/or by the selection of individual investments. It is possible for the entire market or a particular region or sector to fall.

#### Equity market risks

Market risk on equity investments varies from sector to sector, country to country and from small to large market capitalisation. Market risk on investments in equities is determined by many factors, such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. The more volatile these factors, the greater the market risk. Market risk also increases with decreasing diversity across regions and sectors.

#### Initial public offerings

The Sub-Fund may invest in initial public offerings. Such financial instruments have no trading history, and information about such companies may only be available for limited periods. The prices of financial instruments involved in initial public offerings may be subject to greater price volatility than more established financial instruments.

#### Country risk

Market risks can be greater in certain countries, in particular those with such characteristics as political instability, lack of complete or reliable information, market irregularities or high level of taxation.

#### Emerging and less developed markets

In emerging and less developed markets, in which a Sub-Fund may invest, the legal, judicial and regulatory infrastructure is still developing. This creates legal uncertainty for both local investors and foreign investors. Some markets may carry higher risks for the Sub-Fund, and thus for the Participant, who should therefore ensure that, before investing in the Sub-Fund, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio. Investing in emerging and less developed markets is only suitable for investors who have sufficient knowledge of the relevant markets, are able to weigh the risks and have the financial resources necessary to bear the substantial risk of loss in such investments. Such risks might be of a political, tax, legal or economical nature, or might result from price or currency fluctuations.

The Management Company uses the World Bank classification of countries that have low or middle income economies to determine which countries classify as countries with emerging and less developed markets.

#### Eastern European markets

A Sub-Fund may invest in financial instruments listed on any regulated markets in Eastern European markets. Equity investments in such countries may be subject to certain heightened risks with regard to the ownership and custody of financial instruments. This results from the fact, that possibly no physical share certificates are issued and ownership of financial instruments is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to a custodian). In that case, no certificates representing shareholdings in Eastern European companies will be held by the custodian or any of its local correspondents or in an effective central depository system.

## **Russia**

A Sub-Fund may invest in securities listed on any regulated markets in Russia. Such investments may become restricted by or subject to the restrictive measures that have been or will be taken against Russia. At the date of publication of this Prospectus, the EU has taken measures (including the EU Regulation no. 833/2014) that result in a partial ban on investments in Russia by European entities. There is a high degree of uncertainty about whether further restrictive measures will be taken. Participants should be aware that the portfolio of the Sub-Fund may be adversely affected by such measures.

## **Ukraine**

A Sub-Fund may invest in securities listed on any Regulated Markets in Ukraine. Equity investments in Ukraine are currently subject to certain heightened risks with regard to the ownership and custody of securities. This results from the fact, that no physical share certificates are issued and ownership of securities is 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 Ukrainian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system.

### **3.3.2 Return risk**

It is not certain that a Sub-Fund will achieve its investment target. The Management Company may vary the allocation to the various asset classes of the investments it has selected in the light of the market outlook. The Management Company is required for each Sub-Fund to invest in accordance with the investment policy set out in the Prospectus and cannot therefore respond to developments in financial instruments and markets if such action is inconsistent with the Sub-Fund's investment policy. The selected individual investments may have a positive or negative effect on the Sub-Fund's risk and return. The return generated by the Sub-Fund between the purchase and sale of a Participation in the Sub-Fund is not fixed in advance and is in no way guaranteed by the Sub-Fund.

### **3.3.3 Credit Risk**

Credit risk on fixed-income securities varies by type of issuing institution (government or corporate). Upgrading or downgrading of the issuing institution's credit rating may affect the value of the fixed-income security. The issuing institution may not be able to meet its interest and repayment liabilities, which may result in sustaining losses.

### **3.3.4 Interest Rate Securities risk**

If a Sub-Fund invests in debt securities or money market instruments that are subject to interest rate risk. A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the chance that such movements in interest rates will negatively affect a security's value or, in the Fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk. While changes in interest rates may affect the Sub-Fund's interest income, such changes may positively or negatively affect the Net Asset Value of the Sub-Fund's Participations.

### **3.3.5 Currency risk**

The base currency of the Sub-Fund is stated in the Sub-Fund Specific Information of the respective Sub-Fund. Since the financial instruments held by the Sub-Fund may be denominated in currencies different from its base currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such base currency and other currencies. Changes in currency exchange rates may influence the value of the Sub-Fund's Participations, and also may affect the value of dividends and interests earned by the Sub-Fund and gains and losses realized by the Sub-Fund. If the currency in which a financial instrument is denominated appreciates against the base currency, the price of the financial instrument could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the financial instrument. To the extent that the Sub-Fund seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in the Sub-Fund's investment policy, there is no requirement that the Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction.

### **3.3.6 Sustainability Risk**

Pursuant to SFDR a sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can either

represent a risk of their own or indirectly have an adverse impact on the overall portfolio risk, including but not limited to market risks, liquidity risks, credit risks or operational risks.

The Management Company applies adequate due diligence measures when selecting investments and such due diligence measures take into account sustainability risk and ESG related risks. The investment process also takes into account sustainability risk and ESG risks, as it could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Funds.

### 3.3.7 Concentration risk

A Sub-Fund may restrict its investments to financial instruments issued by institutions that are active in the same sector and possibly in the same region or on the same market. Next to that, different Sub-Funds may invest in the same financial instruments. As a result, events affecting those companies will affect the value of the Sub-Fund's portfolio more than they would be likely to affect a portfolio that was not similarly concentrated. The Sub-Fund may, therefore, be subject to more volatility and a greater risk of loss than a more broadly diversified fund.

### 3.3.8 Redemption risk

Because the Fund has an open-ended structure, it may in theory be faced at any time with a large number of applications for redemption of Participations on each Business Day. In that case, it may have to sell investments at short notice in order to meet its payment obligations, which could be detrimental to its performance.

In exceptional circumstances, the Fund may be unable to issue or redeem Participations for a shorter or longer period. This might arise if the Management Company uses its authority to temporarily to suspend or restrict applications for the redemption or issue of Participations, as explained in Chapter 5 'Participation Transactions'. This may also result in impaired marketability of the Participations.

### 3.3.9 Market liquidity risk

The Management Company may, on behalf of the Sub-Fund, invest in financial instruments which have a reduced liquidity indicating that they may not be sold as quickly as more liquid investments. Potential investors should therefore be aware that this may have an impact on the time frame within which Participants receive redemption proceeds. This also entails that prices of financial instruments might decline when attempting to sell these instruments.

### 3.3.10 Risk of changes in tax position or tax legislation

Prospective Participants who are in any doubt as to their tax position are advised to consult their own tax adviser. Because certain countries may have tax practices that are unclear or subject to changes in interpretation or law (including changes effective retrospectively), the Sub-Fund could become subject to additional taxation that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

### 3.3.11 Financing risk

Financing investments with debt involves risks. This may involve leverage which increases the sensitivity of the Fund to market movements. The Fund may use short-term borrowings (maximum 1 month) up to a limit of 10% of the Fund assets for the purpose of efficient portfolio management. However, leverage comes with greater risk. If the Fund uses leverage to make an investment and the investment moves against the Fund, the loss is much greater than it would have been if the investment were not leveraged – leverage magnifies not only gains but also losses. The use of borrowed capital also incurs interest and other expense, which may affect the return.

### 3.3.12 Counterparty risk

A Sub-Fund's counterparty may fail to meet its obligations towards the Sub-Fund, which may result in a loss being sustained by the Sub-Fund. The Sub-Fund minimises this risk by carefully selecting counterparties.

## Futures, Options and Forward Transactions

The Sub-Fund may use options, futures and forward contracts on for example securities, currency, indices, volatility, inflation and interest rates for hedging and investment purposes. Transactions in futures and forwards may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures or forward contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or

against the Sub-Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater downside risk than purchasing options. Although the premium received by the Sub-Fund is fixed, the Sub-Fund may sustain a loss well in excess of that amount. The Sub-Fund will also be exposed to the risk of the purchaser exercising the option and the Sub-Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Sub-Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

### Over-the-counter (OTC) Derivative Transactions

In an over-the-counter (OTC) derivative transaction no exchange of the underlying notionals takes place. Therefore, market moves in the underlying notionals can give rise to counterparty risk. The Sub-Fund may enter into OTC derivative transactions and therefore will be subject to the risk that its direct counterparty or Clearing Broker (acting as a clearing member of a Central Counterparty (CCP)) will not meet its obligations under the transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties or Clearing Brokers which it believes to be creditworthy. In the case of a bilateral swap agreement the Sub-Fund may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties, whereas in the case of centralized clearing the margin requirements (which mitigate counterparty risk) are arranged for by the relevant Clearing Broker, acting in accordance with the rules of the relevant CCP. In addition, the OTC market, like every market in financial instruments, may become less liquid. Consequently, it might not be possible to execute a transaction or liquidate a position at the price it may be valued in the Sub-Fund.

As the case may be, cash collateral received by the Sub-Fund in relation to any of these transactions will be reinvested in a manner consistent with the investment objectives of the Sub-Fund in (i) Participations or units issued by money market undertakings for collective investment, (ii) deposits with a credit institution having its statutory seat in a member state or with a credit institution situated in a non-member state provided that it is subject to prudential rules, (iii) high quality government bonds, and (iv) reverse repurchase agreement transactions provided the transactions are with credit institutions subject to prudential supervision and that the Sub-Fund may recall at any time the full amount of cash on an accrued basis. Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's global exposure.

### Counterparty risk policy

The Management Company has a policy regarding counterparty risk that is available on request for (potential) Participants. This policy describes inter alia the permitted types of collateral, level of collateral required and the applicable haircuts. The haircut corresponds to the reduction of the value and is generally expressed as a percentage of the collateral. The Management Company acknowledges the policies regarding counterparty risk of the Investment Managers and requests an annual update.

#### 3.3.13 Settlement risk

There is always the risk that another party will fail to deliver the terms of a contract at the time of settlement. Settlement risk can be the risk associated with default at settlement and any timing differences in settlement between the two parties.

The delivery and receipt of financial instruments only takes place against simultaneous payment. If a counterparty is unable to provide financial instruments or does not have sufficient money to receive the financial instruments, the risk for the Sub-Fund will remain limited to price risk.

#### 3.3.14 Custody risk

The Sub-Fund is exposed to the risk of loss of financial instruments and funds placed in custody due to the insolvency of or negligence or fraud by the custodian or sub-custodian of the financial instruments. The Management Company seeks to manage this risk by entering into custody agreements only with financially sound custodians of good standing.

#### 3.3.15 Inflation risk

The investment returns in real terms may be affected by inflation (loss of purchasing power).

### 3.3.16 Capital erosion risk

The Fund is exposed to the risk of changes in the value of the capital, including the potential risk of erosion due to the redemption of Participations and distributions that exceed the profit in any Financial Year.

### 3.3.17 Risk of outsourcing investment function

For a large number of Sub-Funds, the Management Company has entrusted the implementation of the investment policy under its responsibility and control to the Investment Managers named in the relevant Sub-Fund Specific Information. As a consequence, there is a risk that the appointed Investment Manager does not fulfil its obligations as laid down in the agreement, which stipulate, among other things, rules on mutual information provision, the (formal) notice period, the remuneration and the investment guidelines accompanying the issued mandate.

This risk is partly mitigated by performing an extensive due diligence on the activities of the Investment Managers - before selection of the manager and periodically afterwards – according to a defined process in which the results, the organization, the investment approach and the composition of the team are important points of attention. Furthermore the Investment Managers monitor the investment portfolios on the basis of risk management systems so that they meet the investment guidelines. In addition, the Management Company checks whether the Investment Managers have acted and performed within the agreed investment guidelines.

### 3.3.18 Risks on investments in other investment institutions

A Sub-Fund may invest in other investment institutions, including Affiliated Funds. In that case, the Sub-Fund's performance is partly dependent on the return, the marketability, the quality of service and the risk profile of the investment institutions in which it invests.

### 3.3.19 Risk of no ring-fence between Sub-Funds at the Legal Owner

Under Section 4:37j (5) of the Wft, the assets of each Sub-Fund are separated assets. Section 4:37j Paragraph 6 contains a ranking rule if the assets of each Sub-Fund are insufficient for all claims in the event of liquidation.

It is possible that a claim to which the law of another country applies does not know the present order. This could mean that a potential negative balance of assets of a Sub-Fund may affect the other Sub-Fund. This applies in particular when making distributions and in the case of the cancellation and liquidation of a Sub-Fund, whereby a possible negative capital balance is allocated over the other Sub-Fund.

### 3.3.20 Risk of the Fund being considered a partnership

The Fund is a fund for joint account. It is not a legal entity. The Fund's Terms and Conditions are formulated such that the Fund is not a partnership. The Terms and Conditions state that Participants do not enter into contracts with each other, do not work together and the obligation to pay a sum for a Participation only forms a contract with the Management Company. If any actions contravene these stipulations, which could result in a judge ruling that Participants have entered into contracts with each other, work together and/or are obliged to pay each other a sum for a Participation, a judge may rule that the Fund is a partnership. In the event that the Fund is considered a partnership, stipulations in the Terms and Conditions may be ruled to conflict with imperative law. As a result, third parties have no recourse to article 11 paragraph 3 of the Terms and Conditions and Participants could be liable for the Fund's obligations.

## 4. Capital and Participations

A Participant is economically entitled to the capital that is designated to the Sub-Fund in proportion to the number of Participations held by a Participant in the Sub-Fund. In this proportionate holding, all the economic advantages and disadvantages associated with the Sub-Fund will be debited or credited to the Participants. Participations are registered by name.

Each Participation entitles the holder to an equal share in the Sub-Fund's assets insofar these are allocated to the Participants.

Unless issued free of charge, Participations are only issued when the Transaction Price has been paid into the Sub-Fund's capital by the set date.

Participants are not liable for the obligations of the Management Company and the Legal Owner and are not responsible for the losses of the Fund or the Sub-Fund extending beyond the amount contributed or to be contributed to the Sub-Fund in exchange for the Participations held by a Participant.

### 4.1 Classes of Participations

The Participations may be divided into different Classes. A Sub-Fund has an undivided capital. This means that any negative capital balance of a Class may affect the other Class within the same Sub-Fund. The portion of the fund's assets to be deposited or attributed to each Sub-Fund will be invested in accordance with a specific investment policy. Classes have a different price structure and cost structure. Both the positive and the negative value changes in the investment portfolio of a Sub-Fund are at favour or at the expense of the Participants of the relevant Class of the Sub-Fund. This is reflected in the Net Asset Value of the relevant Class representing the entitlement to the relevant Sub-Fund.

The Management Company is entirely free to issue new Classes at its own discretion and to determine which (legal) persons are eligible to invest in a Class, whereby the Management Company will treat Participants under similar conditions in the same way.

A list of the created Classes of Participations for each Sub-Fund is disclosed in the Sub-Fund Specific Information of this Prospectus. The following Classes may be created.

#### Class AN

Class AN are capitalisation Participations. This Class is intended for investment services where the Distributor does not receive nor retain trailer or distribution fees. This Class is available for professional and retail investors, unless in the Sub-Fund Specific Information of a Sub-Fund it is stated otherwise.

#### Class F

Class F are distributing Participations. This Class is intended for investment services where the Distributor does not receive nor retain trailer or distribution fees. This Class is available for professional and retail investors and is subject to the minimum investment amount stated in the Sub-Fund Specific Information of a Sub-Fund.

#### Class R

Class R are distributing Participations. This Class is intended for investment services where the Distributor does not receive nor retain trailer or distribution fees. This Class is available for professional and retail investors and is subject to the minimum investment amount stated in the Sub-Fund Specific Information of a Sub-Fund.

The complete list of available Classes of Participations can be found on the Website.

The Management Company will determine the characteristics of a Class in advance. The Management Company may waive characteristics in individual cases on basis of objective criteria set by the Management Company. The initial launch date of each activated Class is disclosed in the applicable Key Information Document, which can be found on the Website.

The Participations of this Class are only available to parties and / or Distributors who register on behalf of their clients, who have been approved by the Management Company.

#### **4.2 Fair treatment of Participants**

In similar situations, the Management Company will treat Participants in a similar manner. Situations may differ as a result of aspects specified in this Prospectus, for instance with respect to investments in different Classes.

When taking any decision, the Management Company will take into account the interests of other Participants and consider whether the consequences of a decision are unfair as compared to the Participants, given the contents of the Prospectus and what the Participant on that basis and on the basis of the applicable regulations may reasonably expect.

## 5. Participation Transactions

### 5.1 General

The Fund is a fund for joint account with an open-ended structure, whereby, upon request, the Fund issues and redeems Participations each Dealing Day, which is further specified the Sub-Fund Specific Information of the Sub-Fund. The Participations are not listed on a regulated market or another market in financial instruments.

Participants in the Sub-Fund may not be transferred to third parties or alienated, except in the case of redemption as referred to in this chapter of the Prospectus. If an investor wishes to convert his position in a Class of a Sub-Fund to another Class of the same Sub-Fund or another Class of another Sub-Fund, this must in principle be done through a redemption and subscription order. The subscription and redemption takes place under the conditions described below.

Sufficient guarantees are in place for the Sub-Funds to be able to meet its redemption obligations. Redemption will only be prevented by regulatory provisions or in the exceptional situations listed below in the Section 'Suspension or limitation'.

If a Distributor holds a (collective) securities account (whether or not for the benefit of its clients), the relevant clients indirectly acquire a claim on the Sub-Fund through the Distributor.

The Management Company is entitled to refuse an order without any obligations arising for the Management Company and without Participants deriving any rights from this.

It is possible that a Sub-Fund is also offered outside the Netherlands. If applicable, this will be stated in the relevant Sub-Fund Specific Information of the Sub-Fund, stating any details regarding the acquisition of Participations.

### 5.2 Issue and redemption of Participations

#### 5.2.1 Dealing Days

Issue and redemption frequency is stated in the Sub-Fund Specific Information of the Sub-Fund, except in exceptional situations. In principle, there is one trading moment per Dealing Day. If daily trading is not possible, this is stated in the relevant Sub-Fund Specific Information.

#### 5.2.2 Subscription and redemption orders

Subscription and redemption orders must be sent by a bank or broker to the Transfer Agent via the trading platforms as published on the Website. Subscription and redemption orders must be sent by a bank or broker before 16.00 CET on a Business Day. Only subscription and redemption orders that have been sent to the applicable trading platforms before this Cut-off Time will be executed at the Transaction Price of the next Business Day. The orders received after this Cut-off Time will not be executed on the next Business Day, but one Business Day later and at the then applicable Transaction Price.

The Transfer Agent is responsible for accepting or refusing the subscription and redemption orders in the Classes of Sub-Funds that have been sent to the relevant trading platform before 16.00 CET on each Business Day. The Management Company is responsible for the daily publication of the Transaction Price on the Website.

#### 5.2.3 Transaction Price

The issue and redemption of Participations leads to costs for the Sub-Fund if its portfolio has to be adjusted to accommodate inflow or outflow of cash. These costs consist of transaction costs, such as brokers' fees, and costs due to impact on the market. Market impact occurs if executing orders significantly affects the price of the underlying asset. As compensation for these costs, the Participations are traded at the Net Asset Value per Participation adjusted upward or downward by a "swing factor": the Transaction Price. If the Sub-Fund makes a net issue of Participations of the Fund on a particular Business Day, the Transaction Price is equal to the Net Asset Value per Participation adjusted upwards by a swing factor and if there is a net redemption of Participations on that day, the Transaction Price is equal to the Net Asset Value per Participation adjusted downwards by a swing factor. For the sake of transparency and simplicity, the Management Company has set the maximum



swing factors at 1.5% of the Net Asset Value per Participation. Taking into account the interest of Participants, the Management Company may exceed these maximum swing factors in the event of an exceptional market situation.

The revenues of the swing factor are credited to the Sub-Fund.

The current swing factors of the Sub-Funds are published on the Website.

#### 5.2.4 Subscription (in kind)

If a (potential) Participant wishes to obtain Participations against a contribution in kind of securities or other assets than cash which could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions, the Management Company may grant its cooperation. The nature and type of assets to be accepted in any such case shall be determined by the Management Company and must correspond to the investment policy of the Sub-Fund being invested in. Any such contribution in kind will be made at the Net Asset Value of the assets contributed calculated in accordance with the rules set out in Chapter 6 under the heading "General Information" below and may be the subject of a report drawn up by an auditor in accordance with the requirements of Dutch law. All supplemental costs associated with contributions in kind will not be borne by the Sub-Fund. Should the Sub-Fund not receive good title on the assets contributed this may result in the Sub-Fund bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Sub-Fund against any existing holding of the applicant in the Sub-Fund. A swing factor may be used at the discretion of the Management Company. In addition, the Management Company may only accept the contribution in kind if the Sub-Fund continues to comply with the investment policy and provided that the interest of the existing Participants is not harmed.

#### 5.2.5 Redemption (in kind)

If a Participant wishes to obtain a payment for the Participations redeemed other than cash, the Management Company may grant its cooperation. The Participant receives a portfolio of securities equivalent value to the appropriate cash redemption payment. As far as possible, the portfolio of securities will be a representative selection of the Participation Class' holdings pro rata to the number of Participations redeemed.

Any such redemption in kind will be valued in a report of an auditor, to the extent required by Dutch law and/or the Management Company, and will be made on an equitable basis, in the interest of all the Participants. All supplemental costs associated with redemptions in kind will not be borne by the Sub-Fund. If necessary, a swing factor can be used at the discretion of the Management Company.

In addition, the Management Company may only accept the pay out in cash if the Sub-Fund continues to comply with the investment policy and provided that the interest of the existing Participants is not harmed.

### 5.3 Suspension or limitation

The Management Company has the power to request that the issue or redemption of Participations will be temporarily or permanently suspended or limited in exceptional circumstances, also taking in due regards of the interest of the Participants. Exceptional circumstances in which the Management Company may take such a decision include:

- temporary suspension of the calculation of the Net Asset Value of a Participation, as described in chapter 6 'Valuation Method';
- receipt of one or more issue or redemption applications which would result in more than 10% of the total outstanding Participations of a Sub-Fund being issued or redeemed on a Business Day;
- the investment strategy approaches the maximum capacity, as determined by the Management Company.

If the Management Company suspends the issue or redemption of Participations, this decision will be immediately posted on the Website. If a limit is imposed on some or all orders, the Management Company will advise the bank or broker with whom Participants have placed the orders accordingly.

## 6. Valuation Method

The Net Asset Value is calculated each Valuation Day in the base currency of the Sub-Fund, with the investments and the other assets and liabilities in principle valued on the following basis:

- listed financial instruments at their quoted market price after the Sub-Fund's Cut-off Time but before the Sub-Fund's trading time (forward pricing principle). If this price is deemed not to be representative of the current market value, generally accepted valuation methods for the type of financial instrument concerned are used instead;
- units in unlisted investment institutions at the latest net asset values published by the investment institutions concerned;
- current assets and liabilities at face value;
- all other assets and liabilities are measured by the Management Company at current value using the applicable generally accepted valuation methods.

If a Sub-Fund receives amounts that cannot reasonably be taken into account in advance (due to, for example, unfamiliarity or uncertainty) these will be added to the assets of the Sub-Fund at the moment that the receipts are credited to the Sub-Fund's account. Due to differences in cost structure, the Net Asset Value per Participation of the same Sub-Fund will differ per Class.

The Management Company has the power to use different valuation methods, including fair value pricing, provided that this is also in the Participants interests and is done according to generally accepted valuation methods. Such a situation might arise, for example, with highly volatile markets.

The Net Asset Value per Participation is determined by dividing the Net Asset Value by the number of outstanding Participations of the Class concerned on the date of the calculation. The Net Asset Value per Participation is calculated before 16:00 CET every Business Day. This Net Asset Value per Participation figure is available at the office of the Sub-Fund and is published on the Website.

Participants suffering losses due to publication of an incorrect Net Asset Value per Participation resulting from a calculation error only have the right for compensation from the Management Company and not from third parties performing outsourced activities on behalf of the Management Company. Such a right to compensation will only exist if (i) the error relative to the actual Net Asset Value per Participation exceeds 1% and (ii) the amount of compensation per Participant is at least €25. In order to be able to compensate the individual Participant in case of Net Asset Value errors, the Management Company will depend on the cooperation of the Distributor.

### 6.1 Temporary suspension of the calculation of the Net Asset Value

Calculation of the Net Asset Value may be suspended:

- a. if the calculation of the net asset value of a significant proportion of the units of other investment institutions has been suspended for a period (except for the usual days on which the markets are closed for business);
- b. during a period in which an important regulated market or other market in financial instruments on which a significant proportion of the Fund's assets are listed or regularly traded is closed (except for the usual days on which the markets are closed for business), and during a period in which trading has been limited or suspended;
- c. if a political, economic, military, monetary or social situation or any instance of force majeure arises which is outside the control of the Fund or the Management Company, making it impossible to measure the value of a significant proportion of the assets or to obtain a valuation in a reasonable and normal manner without financial detriment to the Participants;
- d. if communication systems normally used to arrive at the price or value of the Fund's assets or to ascertain the current prices on any particular market (regulated or otherwise) are unavailable;
- e. if currency restrictions or restrictions on the movement of capital prevent the execution of the transactions on behalf of the Fund or if the buying and selling of financial instruments cannot be accomplished at normal exchange rates;
- f. if, for any reason, the prices and values of the Fund's assets cannot be determined immediately with sufficient accuracy;
- g. in any other situation, if the Management Company has good grounds to decide that such suspension is necessary to protect the general interest of the Participants concerned.

The issue and redemption of Participations will also be suspended if, for instance, the calculation of the Net Asset Value is suspended in the circumstances described in Chapter 5 'Participation Transactions'.

## 7. Costs and Charges

### 7.1 General

The costs mentioned in this chapter are charged to a Sub-Fund and are therefore indirectly borne by the Participants. Insofar as the costs referred to below are directly attributable to a Sub-Fund, these costs are charged directly to the result of the relevant Sub-Fund. Costs not directly attributable will be charged to the Sub-Funds in proportion to the net asset value of each of the Sub-Funds. Participants also incur direct costs for subscription into or redemption from the Sub-Fund, which will depend on the costs charged by Van Lanschot Kempen NV or a bank or broker. For the swing factor levied by the Sub-Funds when cash is invested or taken out, see Chapter 5 'Participation Transactions'.

In the event that the Net Asset Value calculation is suspended, the last known Net Asset Value will be used to calculate the fees and costs.

In principle, the costs and fees mentioned in this chapter are charged to the Sub-Funds. If a Sub-Fund is subdivided into Classes, then the Management Company is authorised to charge the relevant costs to one or more Classes. The amount of the costs and fees on an annual basis and, if applicable, a deviation from the calculation basis mentioned below is included in the Sub-Fund Specific Information. In addition, "other costs" may be charged to the Sub-Fund as described in this general chapter of the Prospectus.

### 7.2 Overview of the costs

#### 7.2.1 Start-up costs

The start-up cost of a new Sub-Fund are charged directly to the relevant Sub-Fund.

#### 7.2.2 Investment management fee

If the Management Company delegates the execution of the investment policy to an Investment Manager, then the Investment Managers charges the Sub-Fund an investment management fee. If the Management Company did not delegate the execution of the investment policy to an Investment Manager but executes the investment policy itself, the Management Company will charge an investment management fee to the respective Sub-Fund. The investment management fee will be calculated daily, monthly or quarterly on the Net Asset Value and will be paid monthly in arrears.

The applicable investment management fee is stated in the Sub-Fund Specific Information.

The Management Company can make agreements with the Investment Managers on discounts on the management fee and rebates. The rebates will be accrued to the Sub-Fund. The Sub-Fund Specific Information indicates if a rebate is applicable.

No return commission or distribution fees will be paid to third parties for its investment in the Sub-Fund.

#### 7.2.3 Service fee

The Management Company charges a service fee covering the Sub-Fund's normal expenses, such as:

- custody fees;
- depositary fees;
- costs for the Legal Owner;
- administration costs;
- operational monitoring of Investment Managers;
- portfolio construction;
- monitoring of the fund of funds;
- risk management;
- reporting;
- costs of the Paying Agent;
- costs of the Transfer Agent;
- audit fees;

- tax costs;
- legal costs;
- regulatory costs;
- costs of printing, advertising and mailing;
- Participants meetings;
- fees for proxy voting advice; and
- other charges made by third parties.

Marketing costs are not chargeable to the Sub-Fund.

The service fee will be calculated and accrued daily on the Net Asset Value and will be paid monthly in arrears to the Management Company. Any surplus or deficit remaining after payment of the cost governing the Sub-Fund's normal expenses accrues or is charged to the Management Company.

The service fee does not include interest, transaction costs, extraordinary expenses connected with the costs of legal counsel and tax consultants (such as necessary costs in respect of complex Sub-Fund restructuring, costs as a result of the impact of regulatory changes and costs relating to fiscal changes) or expenses related to reclaiming withholding taxes by other parties than the Fund's Depository. These costs are in the interest of the Sub-Fund and therefore are charged to the Sub-Fund.

#### 7.2.4 Costs of indirect investments

If the Sub-Fund invests either directly or indirectly in other investment institutions, then this will be explained in the relevant Sub-Fund Specific Information. The costs associated with these investment institutions (such as management and administration fees, transaction costs and other costs) will indirectly be borne by the Sub-Fund. Any return commission receivable will be credited to the Sub-Fund. If the Sub-Fund invests in Affiliated Funds, it will avoid paying a double management fee (notwithstanding performance fees if applicable). When the Sub-Fund invests in other investment institutions, the costs associated with the investments concerned will be disclosed on the Website and in the Sub-Fund's annual report in compliance with the current regulations.

#### 7.2.5 Other

##### Transaction costs

The Management Company can instruct brokers, including Van Lanschot Kempen NV, to execute transactions. It is the Management Company's policy that all transactions by the Sub-Fund should be executed at market rates. The commission payable to brokers will be a maximum of 0.5% of the effective value of a transaction in developed markets. The broker fee could be higher e.g. in case of transactions in emerging markets. Transaction costs will generally be included in the buying or selling price of the financial instruments.

##### Broker Services

The Investment Manager may receive research reports from brokers that carry out securities transactions on behalf of the Sub-Fund. No fees or costs for research and information services will be charged by the Sub-Fund, as these cost are covered by the applicable investment management fee. The Management Company will report the relevant indirect fees or indirect costs for research and information services in the annual report.

### 7.3 Total main costs and other costs information

#### 7.3.1 Total main costs

The total amount of the investment management fee and the service fee charged to the Sub-Fund annually will not exceed the percentages mentioned in the Sub-Fund Specific Information of the average Net Asset Value over the year. Please note that other costs can be charged to the Sub-Fund such as start-up costs or extraordinary costs.

#### 7.3.2 Value-added tax

Where a value-added tax (VAT) is payable on costs and fees, the tax will be borne by the Sub-Fund. The Sub-Fund cannot reclaim VAT. The service fee mentioned includes VAT payable, if any. Under current tax legislation the investment management fee is exempt from VAT.

### 7.3.3 Ongoing charges figure

The ongoing charges figure is an indication of the direct and indirect costs of investments that are charged to or withheld from the Sub-Fund. This will also include start-up costs and costs of indirect investments, if applicable. The ongoing charges figure can be found on the Website, in the KID and in the Fund's financial statements. The ongoing charges figure deviate from the percentages stated under Total main costs in the Sub-Fund Specific Information, as the ongoing charges figure is calculated daily and the costs stated under Total main costs of the Sub-Fund are (partly) calculated based on a different frequency.

The ongoing charges figure does not include transaction costs, interest and charges concerned with the issue and redemption of Participations.

### 7.3.4 Funds' income statement

All costs will be recognised in the Sub-Fund's income statement and will be charged to the Sub-Fund as described above. These costs will be recognised in the period to which they relate. Transaction costs cannot always be recognised in the income statement as they are generally included in the buying or selling price of the financial instruments.

## 8. Profit Distribution Policy

In principle the Sub-Fund will not distribute dividend. The Management Company may, having due regard to the Participants interests, decide to distribute a dividend in any Financial Year. If a Sub-Fund adopts a different policy in this respect, this will be stated in the relevant Sub-Fund Specific Information.

The manner and time of payment of such distributions are determined by the Management Company. Information about the distributions to Participants, the composition of the distribution and the manner in which it will be made payable will be published on the Website.

## 9. Tax Position

### 9.1 Tax aspects applicable to the Sub-Funds

#### 9.1.1 Corporate income tax

The Fund (and each Sub-Fund) is a tax transparent fund and non-taxable for Dutch corporate income tax purposes. The investments of the Sub-Funds, including the corresponding returns, are for Dutch tax purposes allocated to the Participants pro rata to their respective interest in the Fund.

#### Dividend tax and foreign withholding taxes

Dividend tax is not payable on distributions by the Sub-Funds.

As a result of its non-taxable status for Dutch corporate income tax purposes, the Sub-Funds are unable to credit any (foreign) (withholding) taxes (such as dividend withholding taxes or interest withholding taxes). For Dutch tax purposes, any withheld withholding tax is deemed to have been withheld at the expense of the Participants (we refer to the below).

### 9.2 Tax aspects applicable to Participants

#### 9.2.1 Dutch Participants

##### Personal income tax

Participations held by persons resident in the Netherlands are subject to income tax. As a rule, the Participations will be included in the taxable income from savings and investments (box 3). The taxable income from box 3 is determined by the levying of a notional yield (*forfaitair rendement*) on the yield basis (*rendementsgrondslag*) less the applicable tax-free allowance. The yield basis is determined at the beginning of the calendar year and amounts to the value of the asset components less the value of the debts. The notional yield rates are set annually by the Dutch Government, taking into account a mixed return for investments and savings. Income tax is due over the calculated notional yield. As such, the results on the Participations are not relevant for the Dutch income tax in box 3.

Participants resident in the Netherlands holding Participations that are included in their taxable income from work and home (box 1) or in their taxable income from substantial interests (box 2) are advised to consult their own tax adviser regarding the tax aspects applicable to their investment.

##### Corporate income tax

For Participants registered in the Netherlands that are subject to corporate income tax, the actual returns realized on these Participations will generally be taxed at the regular corporate income tax rate. These returns usually involve dividends as well as capital gains and losses realized by a (partial) disposal of the Participations in the Sub-Fund.

#### 9.2.2 Belgian Participants

Participants resident in Belgium are advised to consult their own tax adviser regarding the tax aspects applicable to their investment.

#### 9.2.3 Dividend withholding tax and foreign withholding taxes

##### Dividends received

Dividends received by the Sub-Funds may be subject to Dutch dividend withholding tax or a foreign withholding tax. The Participants may under certain circumstances be able to credit or reclaim the withheld Dutch dividend withholding tax or foreign withholding tax. The Fund will generally be unable to credit or reclaim these withholding taxes due to its tax transparent qualification.

Non-taxable Dutch entities are unable to credit the at their expense withheld foreign withholding taxes.

Tax treaties commonly limit or exclude the levying of withholding taxes. Should any withholding tax have been withheld in breach of a tax treaty the Participant may under certain circumstances be able to reclaim such in excess withheld tax in the country of taxation.

The respective Sub-Fund Specific Information may, insofar applicable, include whether the Sub-Fund has been set up for investors ineligible for exemption under the convention for the avoidance of double taxation between the Netherlands and the United States of America and/or by the Netherlands and Canada.

### **9.3 Providing data to the tax authorities**

Sub-Funds might be obliged to provide certain data to the Dutch tax authorities regarding the Participants and their investment in the Sub-Fund. In some cases the Dutch tax authorities will exchange this information with foreign tax authorities e.g. given the US FATCA regulation and CRS (Common Reporting Standard) which have been implemented in Dutch laws.

### **9.4 Concluding remarks**

The above is a general summary of the most important tax aspects applicable to the Fund and to investments in its Participations of the Sub-Funds. This summary is exclusively based on Dutch regulations (legislation, policy rules and legal precedents) as in force on the publication date of the Prospectus. These regulations may be changed after this date, or interpreted differently. Prospective Participants are advised to consult their own tax adviser regarding the tax aspects applicable to their investment.



## 10. Reporting and Other Information

### 10.1 Information on the Fund

Van Lanschot Kempen Investment Management NV's license as Management Company is available for inspection at the Management Company's offices. A copy of this license is obtainable by Participants on request at cost.

The Terms and Conditions, as entered into by the Management Company and the Legal Owner, are available for inspection at the Management Company's offices and form an integral part of the Prospectus. The information set out in the Prospectus is not a complete description of all terms and conditions and should be read in conjunction with, and is subject to the full provisions set out in the Fund's Terms and Conditions. Copies of the Terms and Conditions are available on the Website and on request free of charge.

The particulars of the Management Company, the Depositary and the Legal Owner as entered in the Amsterdam Trade Register are available for inspection at the Fund's office address. Copies of these trade register entries are available to any interested party on request at cost.

A Key Information Document ('KID') will be available, containing information on each Sub-Fund, regarding the costs and the risks. Avoid unnecessary risk – read the Key Information Document. The KID is available at the office address of the Fund and on the Website.

### 10.2 Remuneration policy

Employees working for the Management Company have an employment contract with Van Lanschot Kempen, the parent company of VLK Investment Management. Van Lanschot Kempen's variable remuneration policy applies to all employees (Including identified staff) of Van Lanschot Kempen, including the Management Company. This means that Van Lanschot Kempen's remuneration policy applies to all employees working for the Management Company, subject to several additional provisions specific to the Management Company. These are described in the remuneration policy and govern the activities of the Management Company.

#### 10.2.1 General principles of the Management Company's remuneration policy

Van Lanschot Kempen pursues a prudent, sound and sustainable remuneration policy in line with the group's strategy, risk appetite, objectives and values. The remuneration policy contributes to sound and effective risk control and does not encourage taking more risks than the company considers acceptable. Van Lanschot Kempen ensures that its remuneration policy is applied across the group.

The following general remuneration policy principles apply to all employees working at the Management Company:

- Outperformance is rewarded;
- A system of differentiated remuneration applies;
- Remuneration is set on a gender-neutral basis;
- An employee's variable remuneration is based on the performance of Van Lanschot Kempen NV, Van Lanschot Kempen Investment Management NV and the individual employee;
- The assessment of an employee's personal performance is based on both quantitative (financial) and qualitative (non-financial) performance criteria; selected departments apply only qualitative criteria;
- At least 50% of the variable remuneration is based on non-financial criteria;
- The performance criteria contain no incentives to take irresponsible risks;
- Appropriate account is taken of the interests of clients when striking a balance between the fixed and variable remuneration components, the performance criteria are determined in such a way as to avoid any conflicts of interest between employees and clients;
- The awarding of variable remuneration is partly related to the long-term objectives of Van Lanschot Kempen NV;
- When assessing performance on the basis of the performance criteria set, financial performance is adjusted for (estimated) risks and costs of capital;
- Variable remuneration (including the conditional portion) is only awarded or paid if (i) this is reconcilable with Van Lanschot Kempen NV's financial position and if it is justified by the performance of Van Lanschot Kempen NV, Van

Lanschot Kempen Investment Management NV and the employee concerned; and (ii) Van Lanschot Kempen holds the capital buffers as required by the Dutch Financial Supervision Act (Wft) and implementing regulation;

- None of Van Lanschot Kempen's financial services or other activities, remuneration components or structures could lead to a risk of clients being treated without due care, and Van Lanschot Kempen will not introduce such activities, components or structures;
- In the event that Van Lanschot Kempen turns only a modest profit in a given financial year, discretionary bonus pools may be established by the Van Lanschot Kempen's management board with the approval of its Supervisory Board;
- During the reassessment preceding the payment and receipt of variable remuneration, the total variable remuneration is lowered substantially by applying a reduction or clawback scheme in the event of a weak or negative performance by Van Lanschot Kempen NV or in the event of incompetent or incorrect conduct on the part of an employee.

### 10.2.2 How our remuneration policies take sustainability risks into account

Our remuneration policy for investment professionals and other senior executives already seeks to align their financial incentives with the long-term interests of our clients (asset owners) and the long-term success of our own organisation. Our remuneration policy also promotes a sound and effective risk management culture that protects the value of the investment portfolios. Sustainability risks - defined as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment - are part of this risk management policy and culture, in just the same way as all other forms of risk (i.e. strategic, credit, market, liquidity, interest rate, operational and information risk).

A more detailed description of our remuneration policy can be found on our Website, including a further description of how the fixed and variable remuneration components are drawn up. The policy also describes the criteria that form the basis for determining the amount of variable remuneration, which non-standard rules apply for employees in control functions, and which parts of the variable remuneration are conditional. The policy also describes the governance in relation to the annual determination of variable remuneration.

### 10.3 Periodical information

Information on the Fund and the Sub-Funds will be published periodically on the Website. The following information on the Fund and the Sub-Funds, as required under Section 50, subsection 2, of the BGfo, will also be published on the Website each month:

- a. the total value of the assets in the Fund;
- b. a statement showing the asset mix in the Fund;
- c. the number of outstanding Participations;
- d. the most recent calculation of the Net Asset Value and the date on which each calculation was made.

This information will be sent to Participants on request at no more than cost.

As required under Section 4:37o Wft the Management Company will each year within six months of the end of the Financial Year, prepare and publish an annual report containing the financial statements. Similarly, within nine weeks of the end of the first half of each Financial Year, the Management Company will publish a semi-annual report.

Copies of the published annual reports and semi-annual reports for the last three years, insofar as applicable, are deemed to form part of this Prospectus and are available free of charge from the offices of the Management Company and the Website.

Information on the performance of the Fund is published on the Website and can also be found in the (semi)annual report and KID.

### 10.4 Periodical information on Liquidity and Leverage

The following information will be made periodically available to Participants:

- a. the percentage of the Sub-Fund's assets which are subject to special arrangements arising from their illiquid nature;
- b. any new arrangements for managing the liquidity of the Fund;
- c. the risk profile of the Fund and the risk management systems employed by the Management Company to manage such risks.

- d. any changes to the maximum level of leverage which the Management Company may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement; and
- e. the total amount of leverage employed by the Fund.

If applicable, the information as referred to under a, b, d, and e is published as part of the annual report. If the matters or changes as referred to therein have not occurred during the reference period, the annual report will contain a negative statement in this regard. The information as referred to under c will be made available as part of the annual report and can be found in chapter 3. Risk Factors of this Prospectus. This information will be updated in an amended version of the Prospectus if and when required.

## 10.5 Meeting of Participants

As often as the Management Company considers this necessary in the interest of the Participants, the Management Company convenes a meeting of Participants. The convocation for the meeting of Participants is addressed to the Participants at least fourteen days before the start of the meeting and will either be published in a Dutch national daily newspaper or announced via the (e-mail)address of each Participant and will be published on the Website.

Participants who wish to attend the Meeting of Participants must notify the Management Company of their intention to do so in writing at least five days before the Meeting of Participants. Every outstanding Participation gives the right to one vote. Decisions during the Meeting of Participants are taken by an absolute majority of the casted votes.

## 10.6 Amendment of the Prospectus and/or the Terms and Conditions

The Management Company can amend the Prospectus. The Management Company and Legal Owner have a joint power to amend the Terms and Conditions.

Any amendment (or proposed amendment) of the Prospectus will be published on the Website. The background to any such proposed and/or actual amendment will be published on the Website.

Amendments of the Prospectus will in principle come into effect immediately.

Amendments of the Prospectus resulting in the impairment of Participants' rights or safeguards, in charges being incurred by Participants or changes in the investment policy, as described in the Prospectus, will not come into effect until one month after the announcement of the changes. Such an announcement will take place at least one month before the Cut-off Time of the next Dealing Day (or any other period where prescribed by law). During this one-month period, Participants will be given the opportunity to redeem the Sub-Fund on the existing terms and conditions.

## 10.7 Liquidation and winding up

The Management Company and the Legal Owner may decide to close down the Fund, any Sub-Fund and/or Class either by (i) liquidation or by (ii) merging a Sub-Fund or Class into another Sub-Fund or Class, in the following circumstances:

- a. the net assets of fall below or do not reach an amount to be operated in an economically efficient manner;
- b. a change in the economic or political situation relating to the Fund or Sub-Fund concerned would justify such liquidation;
- or
- c. if the Management Company and Legal Owner considers it in the best interests of the Participants.

The liquidation proceeds of the Sub-Fund will accrue to the Participants in proportion to their holdings of Participations.

The Management Company will make all reasonable efforts to pay out the proceeds received after the winding up of a Sub-Fund to the former Participants in the Sub-Fund during the period to which the distribution relates. However, the Management Company will not be obliged to pay out benefits below 0.5% of the Net Asset Value or below € 100 per participant.

## 10.8 Complaints procedure

Each Participant will have the right to lodge complaints concerning the Fund by writing to the Management Company, which will acknowledge the receipt of the formal complaint within two weeks. In this acknowledgement of receipt, the Management Company will inform the Participant about the time frame in which it will send a response to the complaint.

If the Participant's complaint is not satisfactorily resolved by the Management Company, the Participant – provided that the Participant is a consumer – may submit the complaint to the Financial Services Complaints Board (*Stichting Klachteninstituut Financiële Dienstverlening - KiFiD*). The Participant must submit the complaint to KiFiD within one year after submitting the complaint to the Management Company or within three months after the Participant received a response of the Management Company. The longest term of these two terms is applicable.

The Participant may submit the complaint directly to KiFiD if the Participant did not receive a response of the Management Company within six weeks after the date of the acknowledgement of receipt, or if the Participant did not receive an acknowledgement of receipt of the Management Company within eight weeks after the date of filing the complaint. If the Management Company, while handling the complaint, requests additional information of the Participant, the aforementioned periods shall be extended by a period equal to the period in which the Participant provides this information to the Management Company.

The Ombudsman of KiFiD will examine if he can mediate between the Participant and the Management Company. If this is not possible, the Participant can submit the complaint within three months after the recommendation of the Ombudsman to the Disputes Committee of KiFiD. For more information, please refer to KiFiD.

The address of KiFiD is:  
P.O. Box 93257  
2509 AG THE HAGUE  
[www.kifid.nl](http://www.kifid.nl)

The Participant may also submit the complaint to the competent civil court. If the complaint is dealt with by the civil court, KiFiD is no longer competent to deal with the complaint.

## 10.9 Class Actions

In accordance with its policy, the Management Company:

- engages in passive filing of claims to recover a (share of the) class action recovery as a result of a verdict or a settlement for which the Sub-Fund is eligible. The Management Company has retained a third party for the filing of such claims.
- reserves the right to participate in active class actions.

Should a class action result in revenues then the net proceeds will be allocated to the investment institutions involved in the filing or action. As a result, the investors of the investment institution invested at the moment that the proceeds are allocated will benefit from the class action revenues.

The class action policy applicable to the Fund is available on the Website.

## 10.10 Benchmark regulation

Benchmark Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment institutions (the "Benchmark Regulation") came into full effect on 1 January 2018. The Benchmark Regulation prohibits the use of indices provided by benchmark administrators, other than in accordance with the Benchmark Regulation. The Benchmark Regulation introduces a new requirement for all benchmark administrators providing indices which are used or intended to be used as benchmarks in the EU to be authorised or registered on a public register maintained by ESMA. Benchmark administrators located in a third country must comply with the third country regime provided for in the Benchmark Regulation. None of the Sub-Funds are currently using indices within the scope of the Benchmark Regulation.

## 10.11 Anti-Money Laundering

Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (AMLD 4), as amended by Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 (AMLD 5), has been implemented in the Netherlands in the Dutch Prevention of Money Laundering and Terrorist Financing Act (*Wet ter voorkoming van witwassen en financieren van terrorisme*) and requires the Management Company to, among others, conduct client due diligence on each

client, including the Participants in the Fund, and ongoing transaction monitoring in order to identify intended or executed unusual transaction to be notified to the Dutch Financial Intelligence Unit. In addition, AMLD 4 and AMLD 5 require each EU Member State to establish a register of ultimate beneficial owners (UBOs) in respect of, among others, Dutch law fund for joint account (*fonds voor gemene rekening*) to (i) collect and hold information on the Fund's UBOs and (ii) file such information in a publicly available register (the Trust Register). Information regarding the Fund's UBOs that is filed with the Trust Register will be available to any member of the public unless such information qualifies for a limitation of access under applicable laws. The Fund is listed in the Trust Register with the register reference T498400.

## 11. Assurance report of the independent auditor

*With respect to the examination based on section 115x, subsection 1e of the Decree on the Supervision of the Conduct of Financial Undertakings pursuant to the Act on financial supervision*

To: Van Lanschot Kempen Investment Management N.V., the fund manager of BestSelect AIF Funds

### Assurance report on the prospectus

#### Our opinion

In our opinion, the prospectus of BestSelect AIF Funds, dated 5 July 2024 (hereafter: the prospectus) contains, in all material respects, at least the information required by the 'Wet op het financieel toezicht' (Wft, Act on financial supervision) to be included in the prospectus.

#### What we have examined

We have been engaged, pursuant to section 115x, subsection 1e of the 'Besluit gedragstoezicht financiële ondernemingen Wft' (BGfo Wft, Decree on the Supervision of the Conduct of Financial Undertakings pursuant to the Act on financial supervision) to provide assurance on the content of the prospectus of BestSelect AIF Funds (hereinafter: the fund).

#### The basis for our opinion

We conducted our examination in accordance with Dutch law, including the Dutch Standard 3000A 'Assurance engagements, other than audits or reviews of historical financial information (attest engagements). This engagement is aimed to provide reasonable assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the examination' of our report.

We believe that the assurance information we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and quality control

We are independent of the fund in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for quality systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.

#### Relevant matters relating to the scope of our examination

Our examination consists of determining whether the prospectus contains the required information, which means we did not examine the accuracy of the information included in the prospectus.

Section 115x, subsection 1c of the BGfo Wft requires that the prospectus of a fund contains the information which investors need in order to form an opinion on the alternative investment fund and the costs and risks attached to it.

Based on our knowledge and understanding, acquired through our examination of the prospectus or otherwise, we have considered whether material information is omitted from the prospectus. We did not perform additional assurance procedures with respect to section 115x, subsection 1c, of the BGfo Wft.

Our opinion is not modified in respect of this matter.

## Responsibilities for the prospectus and the examination thereof

### Responsibilities of the fund manager for the prospectus

The fund manager of the alternative investment fund is responsible for:

- the preparation of the prospectus that contains at least the information required by or pursuant to the Wft for a prospectus of an alternative investment fund; and
- such internal control as it determines is necessary to enable the preparation of the prospectus that is free from material omissions, whether due to fraud or error.

### Our responsibilities for the examination

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate evidence to provide a basis for our opinion.

Our opinion aims to provide reasonable assurance that the prospectus contains at least the information required to be included in the prospectus under the Wft. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all omissions. It is our responsibility to issue a statement as referred to in section 115x subsection 1e of the BGfo Wft.

Omissions may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the prospectus. Materiality affects the nature, timing and extent of our assurance procedures and the evaluation of the effect of identified omissions on our opinion.

### Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the examination, in accordance with Dutch Standard 3000A, ethical requirements and independence requirements.

Our procedures were limited to examining whether the prospectus contains at least the information required by the Wft for a prospectus and included, among other things, of:

- Identifying and assessing the risks of material omission of the prospectus, whether due to fraud or error, designing and performing assurance procedures responsive to those risks, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material omission resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Rotterdam, 4 July 2024

PricewaterhouseCoopers Accountants N.V.

Original has been signed by J. IJspeert RA

## 12. Declaration by the Management Company

We hereby declare that Van Lanschot Kempen Investment Management N.V., as Management Company of the Fund, the Depositary and the Fund comply with the rules laid down in the Wft and to the rules laid down by or pursuant to the law. We also declare that the Prospectus complies with the requirements laid down in the Wft and to the rules laid down by or pursuant to the law.

Amsterdam, 4 July 2024

Van Lanschot Kempen Investment Management NV



## 13. Sub-Fund Specific Information

All of the Sub-Funds described under this section are part of BestSelect AIF Funds, that functions as an umbrella structure. The Fund exists to offer Investors a broad range of Sub-Funds with different objectives and strategies.

For each Sub-Fund, the specific investment objectives and the main securities it may invest in, along with other key characteristics, are described in this section. In addition, all Sub-Funds are subject to the general investment policies and restrictions that are described in Chapter 2 “Investment Policy” of the general part of this Prospectus.

The Management Company manages the Fund and Sub-Funds and has delegated some of its responsibilities to a number of Investment Managers and other service providers.

For general information on fees, charges and expenses which Investors may have to pay in connection with their investment in the Fund, please consult Chapter 7 “Fees and Charges”.

## **BestSelect-UBS SRI Global Equity**

## BestSelect-UBS SRI Global Equity

### 1. General information

#### Investment manager

The investment manager is UBS Fund Management (Luxembourg) S.A., Luxembourg. UBS Fund Management (Luxembourg) S.A. is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF), the financial regulator in Luxembourg.

### 2. Investment policy

In addition to the general investment policy for all Sub-Funds as described in Chapter 2, the specific investment policy for the Sub-Fund is described below.

#### Investment objective

The objective of the strategy is to achieve long-term capital growth. The benchmark is the MSCI World Index in euro's. The value of the benchmark is calculated on total return. The components of total return comprise of price return and nett dividends.

#### Investment universe

This strategy mainly invests in (certificates of) equities of developed market companies that are part of the benchmark.

#### Investment strategy

The strategy is aimed at achieving its performance objective through investing in companies with an average and above average score on environmental, social and governance (ESG) criteria. In addition companies that generate more than 5% of their revenue from controversial industries like (controversial) weapons, tobacco, gambling, genetically modified organisms (GMO), alcohol, fur, adult entertainment, nuclear power and fossil fuels are excluded from investment. After the selection of companies with average and above average ESG scores and the industry exclusions the strategy passively invests in the remainder of the companies from the MSCI World Index (at the publication date of this prospectus update approximately 60% of the companies in the original index). Issuer concentration in the fund is managed through a quarterly rebalancing with the objective to reset the maximum single issuer weights at 5%. Between these quarterly rebalancing dates, issuers weights will drift due to price movements of the securities in the portfolio. At all times an upper limit on single issuer weights of 7% will apply.

#### Investment restrictions

##### Trackers/Exchange traded funds (ETF's)

For the purpose of efficient portfolio management the management company may decide to invest its entire assets temporarily in ETF's. E.g. in case the investment portfolio has become too small to execute the investment policy in a cost efficient way or this might be triggered by circumstances on the financial markets. In such a situation, the Sub-Fund may invest more than 20% or even more than 85% in an ETF. This situation did not apply at the time of publication of this Prospectus.

If the Sub-Fund invests in such an instrument, this will be for a maximum period of three months. During this period the management company has to either reduce the portfolio further or introduce a renewed investment policy. The initial period of three months can be extended with another period of maximum three months. The Management Company will carefully consider the fees when the Sub-Fund is invested in an ETF.

#### Currency policy

The Sub-Fund invests in financial instruments denominated in a range of different currencies. Depending on the currency in which the net asset value is calculated, a currency risk may arise. In principle, this risk is not hedged unless the Management Company believe that the circumstances in the currency market would merit hedging.

The following investment restrictions must be complied with by the Management Company when pursuing the investment policy of each Sub-Fund:

- The Sub-Fund may temporarily finance up to 10% of its total assets with borrowed capital;

The Management Company may change these investment restrictions at its own discretion with due observance of the provisions regarding the amendment of the Fund Terms and Conditions as set out in this Prospectus (see Chapter 10 'Reporting and other information', 'Amendment of the Prospectus and/or the Terms and Conditions').

The Management Company is authorized to deviate from the investment policy with due regard for the interests of the Participants, insofar as this deviation is caused by an event outside the control of the Management Company. This situation could arise, for example, in the event of a merger or takeover of a company in which the Sub-Fund invests or as a result of a substantial change in the composition of the benchmark.

### Investing in other investment institutions and Affiliated funds

The Sub-Fund may invest in other investment institutions, including Affiliated Funds, as well as investment institutions managed by affiliated companies of the Depository. Affiliated Fund transactions will be executed in accordance with the terms and conditions of the relevant Affiliated Funds.

The documentation required by applicable law concerning the Affiliated Fund which is in the public domain, such as prospectuses, annual reports, interim reports and the KIDs, are posted on the Website.

### Responsible investment (ESG)

The Sub-Fund incorporates the ESG criteria of the Management Company in the investment process, as outlined in the paragraph "Responsible investment (ESG)" in the general part of this prospectus.

The Sub-Fund falls under the scope of article 8 of the SFDR which means that the Sub-Fund promotes environmental and/or social characteristics, provided that it neither commits to making sustainable investments within the meaning of Regulation (EU) 2019/2088 (the "SFDR") nor to investing in economic activities that qualify as "environmentally sustainable" under the Taxonomy Regulation (EU 2020/852). This Sub-Fund will invest in a broad range of companies, of which some will have sustainability objectives.

The Sub-Fund does not invest in companies involved in (controversial) weapons, alcohol, tobacco, adult entertainment, gambling, fur, (non-pharmaceutical) animal testing, genetically modified organisms (GMO), nuclear energy and fossil fuels. Furthermore the Sub-Fund excludes companies with below average ESG ratings, companies involved in very severe controversies and companies that fail global norms and conventions tests.

The Sub-Fund does not have a sustainability index as reference benchmark.

Taking the investment strategy and asset allocation, the ESG integration approach, applicable binding elements as well as the stewardship activities into account the likely impact of sustainability risks on the return of the Sub-Fund is expected to be low.

More information on the implementation of responsible investing and ESG criteria for this Sub-Fund can be found on [www.vanlanschotkempen.com/investment-management](http://www.vanlanschotkempen.com/investment-management) by selecting the Sub-Fund and also in the Annex of this Sub-Fund Specific Information.

## 3. Risk management systems and risk factors

### Liquidity management tools

In addition to the general liquidity management policy for all Sub-Funds as described in chapter 3, the specific liquidity management tools for the Sub-Fund to manage temporary constrained market liquidity are listed in the table below, showing which tools are available and which tools are activated as to the date of this Prospectus.

Liquidity management tools	Available and activated
Swing pricing	Available and activated

Liquidity management tools	Available and activated
Suspension of redemption rights	Available and subject to activation

Investors will be informed by a notice on the Website, once a liquidity management tool, which is subject to activation as stated in the table above, will be activated.

Risk factors Alongside the general risks as outlined in chapter 3, this Sub-Fund is also subject to the following specific risks:

- In the case of equity investments, the investor shares both in the success and the risks of the companies in question. An investor in equities runs the risk of price movements caused by the expectations (or changes in the expectations) regarding economic growth, growth in specific market sectors and the growth of specific companies.
- The risk of the investment is influenced by the region at which the investment is targeted. The risk may be greater in regions with less developed financial markets or less stable governments.
- With exception of the ESG investment policy, the Investment Manager executes the strategy passively; companies are included in the portfolio because they are part of the benchmark. The Investment Manager does not analyse individual companies that are included in the portfolio on investment-related characteristics. Because of the wide diversification the company specific risk is limited.
- The Sub-Fund may invest in other currencies than Euro and this currency risk will not be hedged in principle. Currency movements may influence the value of investments.

## 4. Capital and Participations

### Classes of Participations

In chapter 4 the subdivision in Classes is described as well as the conditions that apply for eligibility for the Classes. This Sub-Fund is divided in the following Classes of Participations with the following characteristics.

Classes	ISIN	Minimum investment amount	Restricted availability
Class AN	NL0011495205	1 Participation	Restricted to Distributors approved by the Management Company

### Access

The Management Company will only accept subscriptions from investors that are tax exempt for US withholding tax. A completed United States W8-BENE form and where relevant a valid ANBI status (*Algemeen Nut Beogende Instelling or a Public Benefit Organisation*) assignment from the Dutch tax authorities are a prerequisite for accepting subscriptions. A periodical update of the W8 BENE form and the ANBI assignment may be required by the Management Company.

## 5. Participation Transactions

### Issue and redemption of Participations

#### Dealing Days

Issue and redemption frequency will, in principle, take place on each Business Day, except in exceptional situations.

## 6. Valuation method

The base currency of the Sub-Fund is Euro.

## 7. Costs and Charges

In addition to general provisions regarding costs and fees as described in chapter 7, the investment manager fee and service fee are specified below. Please note that other costs can be charged to the Sub-Fund as explained in chapter 7 under the heading 'Other costs'.

### Start-up costs

The Sub-Fund's start-up costs have been fully amortised.

### Investment manager fee

The investment management fee is calculated and accrued daily on the Net Asset Value of the Sub-Fund and corresponds to the scheme below, which is expressed in fees per annum:

Investment manager fee		Percentage of the Sub-Fund Size
Percentage of Sub-Fund size		
	Up to EUR 100,000,000	0.10%
	About the excess up to EUR 150,000,000	0,04%
	About the excess up to EUR 200,000,000	0,03%
	About the excess up to EUR 250,000,000	0,0275%
	About the excess up to EUR 300,000,000	0,0250%
	About the excess	0,0225%

### Service fee

The service fee is determined annually on basis of the net asset value as of the last day of the previous Financial Year, with the following rate:

Service fee		Percentage of the sub-fund size
Percentage of Sub-Fund size		
	Up to € 250,000,000	0.15%
	Between € 250,000,000 and up to € 500,000,000	0.125%
	Above € 500,000,000	0.10%

### Total main costs

The total amount of investment manager fee and the service fee chargeable to the Sub-Fund will not exceed the percentages mentioned in the table hereafter of the average Net Asset Value over the year. Please note that other costs can be charged to the Sub-Fund such as start-up costs or incidental extraordinary costs.

Total of investment manager fee and service fee		Class AN
Percentage of Class size		0.15 - 0.25%

More information about the Sub-Fund's size is available on the Website under the tab 'Overview' in the table 'Key figures'.

### Ongoing charges figure

The ongoing charges figure is an indication of the direct and indirect costs of investments that are charged to or withheld from the Sub-Fund. This will also include start-up costs and costs of indirect investments, if applicable. The ongoing charges figure can be found on the Website and in the Key Information Document.

## SFDR Annex - Environmental and/or social characteristics

SFDR ANNEX II Template 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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** BestSelect-UBS SRI Global Equity

**Legal entity identifier:** 54930064LIFU14RF6482

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The financial product promotes environmental and/ or social characteristics, provided that it neither commits to making sustainable investments within the meaning of Regulation (EU) 2019/2088 (the “SFDR”) nor to investing in economic activities that qualify as “environmentally sustainable” under the Taxonomy Regulation (EU 2020/852).

The financial product promotes **environmental characteristics** related to:

**x** climate change mitigation and climate change adaptation in line with the Paris Agreement.

No specific sustainability index has been designated as a reference benchmark for the purpose of attaining the above environmental characteristics.

The environmental characteristics promoted by the financial product seek to contribute to achievement of the climate goals of the Paris Agreement. This decarbonization pathway encompasses short-term (2025) objectives, a mid-term (2030) ambition and a long-term commitment to be net zero by 2050. Although no index has been designated as a reference benchmark, by 2025 the financial product aims to have a carbon intensity that is below the 7% reduction pathway. This pathway assumes a carbon intensity that is lower than a relevant benchmark in 2019 with a subsequent 7% annual reduction.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The financial product promotes **social characteristics** related to:

- x decent work;
- x adequate living standards and wellbeing for end-users;
- x other social topics such as gender equality and broader diversity matters.

No specific sustainability index has been designated as a reference benchmark for the purpose of attaining the above social characteristics.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The following sustainability indicators are used for the purpose of measuring attainment of the respective characteristics promoted by the financial product:

Environmental principal adverse indicators

- x Carbon emission intensity is used as a key metric for the financial product's intermediate and long-term climate goals;

Social, governance and do no significant harm principal adverse indicators:

- x Exclude companies that violate UNGC principles and OECD Guidelines
- x Exclude companies with substantial exposure to harmful business activities like alcohol, gambling, adult entertainment, genetically modified organisms (GMO), nuclear power and conventional weapons;

Firm level exclusions and avoidance principal adverse indicators:

- x Controversial Weaponry revenues (PAI)(production, trade, storage and use >0%)
- x Tobacco revenues (production >0%, distribution >5%, services >20%)

● **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?**

Not applicable

● **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

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

Not applicable

----- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Not applicable

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

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

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*





### Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, \_\_\_\_\_
- No

The financial product considers principal adverse impacts on sustainability factors through the specific sustainability indicators it uses to assess the extent to which its (proposed) investments contribute to the environmental and social characteristics it promotes, which include principal adverse impact indicators. These indicators are embedded in the SubFund's ESG investment process, which is based on the following 'pillars': Exclusion & Avoidance, ESG integration via the ESG manager scoring framework, Active Ownership via proxy voting.

The financial product considers the following principal adverse impacts on sustainability indicators of its investments:

- x Greenhouse gas emissions (GHG emissions, Carbon footprint, GHG intensity of investee companies, Exposure to companies active in the fossil fuel sector, Energy consumption intensity per high impact climate sector)
- x Biodiversity (Activities negatively affecting biodiversity-sensitive areas)
- x Water and waste (Emissions to water, Hazardous waste and radioactive waste ratio)
- x Social and employee matters (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons))

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the financial product's annual report.



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

BestSelect Funds in general offer investors efficient access to leading international Investment Managers. The Investment Manager for the Funds are selected on the basis of several criteria, including but not limited to quality of the organization, pedigree and experience of the investment team, the investment strategy and ESG scoring.

The financial product (passively) invests in companies with an average and above average score on environmental, social and governance (ESG) criteria and excludes certain controversial industries. The financial product follows the ESG policy as described in the ESG Policy & Process document, which is aimed at the promotion of environmental and/or social characteristics. This ESG policy is implemented in the financial product's strategy's investment process across the following pillars: 1) Exclusion & Avoidance, 2) ESG Integration and 3) Active ownership.

Binding elements of the Fund include not being invested in companies involved in controversial activities or conduct, including certain principal adverse indicators. Companies involved in the production of controversial weapons and tobacco are excluded from the investment universe. Controversial weapons are defined as anti-personnel mines, cluster ammunition, chemical weapons, biological weapons and nuclear weapons. Companies that structurally violate international principles and conventions, such as the UNGC, the UNGP, UNPRI and the OECD Guidelines for Multinational Enterprises, and show no willingness to improve, will be excluded as well. In addition, the financial product will not invest in companies with substantial exposure to harmful business activities like alcohol, gambling, adult entertainment, genetically modified organisms (GMO), nuclear power, conventional weapons and fossil fuels.



### What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Fund through its exclusion policy applies binding elements relating to not being invested in companies involved in controversial activities or conduct, including certain principal adverse indicators. Companies involved in the production of controversial weapons and tobacco are excluded from the investment universe. Controversial weapons are defined as anti-personnel mines, cluster ammunition, chemical weapons, biological weapons and nuclear weapons.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Companies that structurally violate international principles and conventions, such as the UNGC, the UNGP, UNPRI and the OECD Guidelines for Multinational Enterprises, and show no willingness to improve, will be excluded as well. In addition, the financial product will not invest in companies with substantial exposure to harmful business activities like tobacco and fossil fuel extraction.

These binding elements have the following link with the promoted environmental and social characteristics:

- x climate change mitigation and climate change adaptation:
  - x no investments in companies with substantial exposure to fossil fuel extraction;
  - x no investments in companies that structurally violate international principles and conventions (UN Global Compact: environment) (OECD Guidelines MNEs: environment)
- x decent work, adequate living standards and wellbeing for end-users and other social topics such as gender equality and broader diversity matters:
  - x no investments in companies that structurally violate international principles and conventions (UN Global Compact: social) (OECD Guidelines MNEs: social)
  - x no investments in companies with substantial exposure to harmful business activities like alcohol, gambling, adult entertainment, genetically modified organisms (GMO), nuclear power, conventional weapons and fossil fuels

#### ESG integration

ESG integration means that the financial product ensures that sustainability risks and opportunities are adequately considered in the investment analysis and processes. In the process of selecting Investment Managers, the capabilities of the Investment Managers to implement the Management Company's criteria for responsible investment are assessed. Kempen works with a proprietary ESG manager scoring framework which is designed to help us understand and evaluate how the Investment Managers integrate various ESG factors into their investment processes and assess whether they meet the Management Company's requirements. Within this framework, funds are classified into five ESG flavors: compliant, basic, avoid harm, do better, do good.

Managers are scored across the six pillars: Commitment to RI, ESG Integration, Active Ownership, Transparency & Evidence, Exclusions. Each pillar has various sub-categories of criteria a manager has to meet to obtain a certain ESG flavor. All Investment Managers of BestSelect have to at least fulfil the flavor 3 criteria (avoid harm). After the initial selection of companies that pass the ESG selection criteria, the Investment Manager passively invests in the remainder of the companies from the MSCI World Index.

#### Active ownership

Active ownership is about being responsible stewards of our clients' capital and using our influence through engagement and voting to improve corporate behavior on specific ESG issues and achieve positive change. As the financial product is passively managed (after the selection of companies with average and above average ESG scores and the industry exclusions), active engagement with the investee companies in the portfolio, with the aim to achieve positive change on specific ESG topics (active ownership) is only carried out by the Investment Manager using its voting rights on Annual General Meetings. In addition, Kempen will engage with the Investment Manager when it has identified companies in the portfolio that do not match with the intended environmental or social characteristics or when the environmental pathway of the portfolio is not on track with its target.



**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

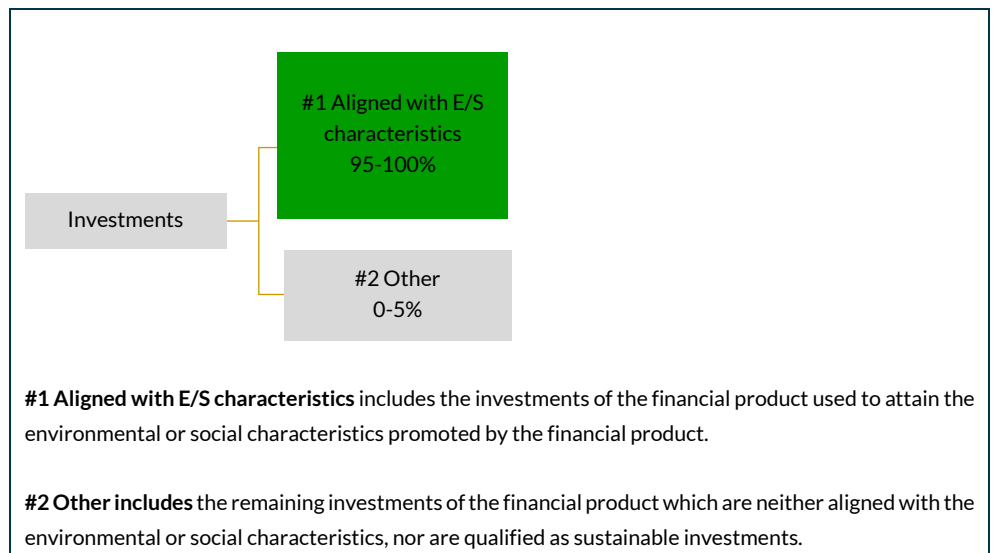
**What is the policy to assess good governance practices of the investee companies?**

The management of the financial product has been delegated to external Investment Manager(s). Investment Managers are only appointed if they pass the financial product’s due diligence process. Before appointment and during the lifetime of the financial product the responsible investment capabilities of the Investment Manager that is responsible for the execution of the investment policy, are assessed. This is done through a proprietary ESG manager scoring framework which includes a thorough assessment different pillars. The assessment is part of the formal due diligence process and is repeated on an annual basis. Part of the assessment is the policy of the Investment Manager to assess good governance practices of the investee companies.

The financial product takes the good governance outcomes of the financial product as a base and subsequently screens the underlying holdings on red flags with regard to governance controversies to determine whether these investee companies might be exposed to or be exposed to practices that do not meet the good governance requirements.

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

At least 95% of the investments of the financial product are aligned with the E/S characteristics. The investments in the category ‘Other’, estimated between 0-5%, include investments not aligned with the E/S characteristics, and cash, cash equivalents and derivatives.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

Derivatives are only used for efficient portfolio management. Therefore, the use of derivatives does not attain the environmental or social characteristics promoted by the financial product.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.



Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

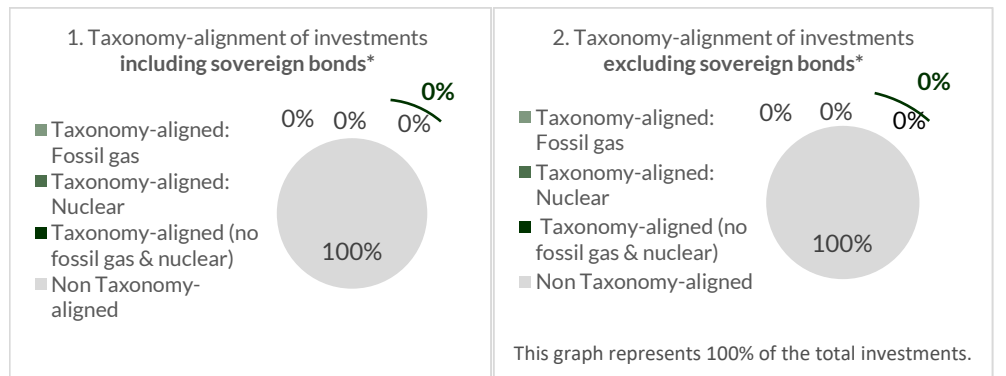
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0%

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

Yes  
 in fossil gas  in nuclear energy  
 No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

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

**0% What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

0%

**What is the minimum share of socially sustainable investments?**

0%

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

We expect the asset allocation for #2 Other to consist of the financial product's cash exposure and derivatives held for efficient portfolio management.

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

More information on the implementation of responsible investing and ESG for a specific financial product can be found on [www.vanlanschotkempen.com/investment-management](http://www.vanlanschotkempen.com/investment-management) by selecting the relevant Fund and Class via the button "Fund library" and by clicking on the tab "Sustainability-related disclosures".

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

# MercLan Bond Fund

## MercLan Bond Fund

### 1. General information

#### Legal structure

MercLan Bond Fund is established on 27 September 2023 and was launched on 30 November 2023.

#### Investment manager

The investment manager is Mercier Van Lanschot<sup>2</sup>, the Belgian branch of Van Lanschot Kempenn N.V., and having its registered office at Desguinlei 50, 2018 Antwerp, Belgium.

### 2. Investment policy

In addition to the general investment policy for all Sub-Funds as described in Chapter 2, the specific investment policy for the Sub-Fund is described below.

#### Investment objective and strategy

The Sub-Fund primarily aims to generate a positive return for Investors in the longer term (consisting of price developments and regular payments of the received interest), by investing in corporate bonds denominated in Euro and other fixed income securities such as: government bonds or similar products denominated in Euro issued by other entities.

All financial instruments are denominated in Euro. Investments may be made in all available sectors and there are no constraints regarding the maturity of fixed income securities, with a preference for an overall medium duration. The bonds are selected based on a bottom-up analysis driven by fundamental research and the relative value of the bonds. The Fund will have a well-diversified portfolio of around 50-75 issuers.

The investment objectives align with the requirements defined below and permit investors to take advantage of the tax ruling obtained. The benefit is that capital gains on bonds are not regarded as taxable income as would be the case if the investor was invested in other mutual funds with bonds holdings.

The above holds true for investors who are subject to Belgian personal income tax. This definition excludes investors who are (i) either not subject to Belgian income tax but rather subject to income tax of any other tax jurisdiction, or (ii) are subject to Belgian corporate income tax, or (iii) subject to Belgian non for profit income tax or (iv) are exempted under Belgian tax law from income tax.

#### Additional investment requirements based on tax ruling

The Sub-Fund has obtained a tax ruling from the Belgian tax ruling service, which lays out the conditions, requirements and restrictions as stated below. These conditions, requirements and restrictions must be understood in conjunction with any condition, requirement and restriction otherwise mentioned in the Prospectus or annexes. In case of contradiction, the condition, requirement and restriction stated in this current chapter "Additional investment requirements based on tax ruling" takes precedent.

##### 1. Investment in bonds only

The Sub-Fund invests in direct line bonds traded on a regulated market only, excluding any other type of investment, with the exception of cash held on current account not bearing interest.

##### 2. Eligible investors

The Sub-Fund is offered to any investors eligible under the terms defined in the current prospectus for an amount of EUR 250,000 minimum per investor. For the avoidance of doubt, this excludes an offer limited to any investor individually or to any group of investors acting jointly.

##### 3. Payment of Participations

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<sup>2</sup> Trade name of Van Lanschot Kempenn NV, Belgian branch

The purchase of Participations of the Sub-Fund will be paid up in cash transferred from the Belgian bank account with Van Lanschot Kempen N.V., Belgian branch of the investor. For the avoidance of doubt, this excludes payment in kind in the form of bonds held by the investor.

#### 4. Distribution of interest received by the Sub-Fund and related withholding tax

Interest received by the Sub-Fund will be distributed to the Investor and credited on the Belgian investment account of the investor on a monthly basis, no later than 15 days after the end of the month.

Van Lanschot Kempen N.V., Belgian branch, will withhold the withholding tax on interest income from the payment mentioned above under 2, credited to the investment account of the investor with Van Lanschot Kempen N.V. Belgian branch.

#### 5. Sale of bond by the Sub-Fund and related distributions and reportings

In the event of sale of a bond by the fund before maturity, the prorated interest included in the transaction will be distributed by the Sub-Fund and credited on the Belgian investment account of the investor on a monthly basis, no later than 15 days after the end of the month, without withholding tax. The amount will subsequently be reported to the investor on a yearly basis at least, indicating the reporting requirement in the Belgian income tax return of the investor as taxable interest income.

In the event of sale of a bond by the fund before maturity, the capital gain realized, included in the transaction will be distributed by the Sub-Fund, and credited on the Belgian investment account of the investor on a monthly basis, no later than 15 days after the end of the month, without withholding tax. The amount will subsequently be reported to the investor on a yearly basis at least, indicating the amount is not reportable in the Belgian income tax return of the investor.

The breakdown of interest distributed and capital gains distributed (as stated above under x and y) will reflect the exact amounts received by the Sub-Fund, per Participation of the Sub-Fund, in accordance with the wording of art. 321bis of the Belgian Income Tax Code.

#### 6. Call, tender or redemption of bond held by the Sub-Fund and related distributions and reportings

In the event the issuer calls, tenders or redeems the bond in any other way before the maturity date, any amount exceeding the issue price of the bond in the transaction amount will be distributed by the Sub-Fund and credited on the Belgian investment account of the investor on a monthly basis, no later than 15 days after the end of the month, without withholding tax. The amount will subsequently be reported to the investor on a yearly basis at least, indicating the reporting requirement in the Belgian income tax return of the investor as taxable interest income.

#### 7. Sale of Participations of the Sub-Fund by the investor and related reportings

In the event of a sale of Participations of the Sub-Fund by the investor, the amount of prorated interest in the transaction will be reported to the investor on a yearly basis at least, indicating the reporting requirement in the Belgian income tax return of the investor as taxable interest income.

#### 8. Year-end transactions by the Sub-Fund and related distributions and reportings

At year end, all expressed but not realized capital gains on the bonds will be realized by the Sub-Fund, so that no unrealized capital gains remain at the closing of the accounting year. The capital gains will be distributed and credited on the Belgian investment account of the investor on a monthly basis, no later than 15 days after the end of the month, without withholding tax. The amount will subsequently be reported to the investor on a yearly basis at least, indicating the amount is not reportable in the Belgian income tax return of the investor.

#### 9. Change of tax residence of the investor

In case where an investor becomes a tax non-resident of Belgium during the calendar year, the reportings and withholdings mentioned in the present chapter will be provided on a prorated basis, indicating the amount reportable in the Belgian income tax return of the investor as taxable interest income related to the period of Belgian tax residence of the investor.

#### 10. Distribution policy

The Sub-Fund distributes all interest and capital gains received and realized on a yearly basis, as detailed above.

### Investment universe

The financial instruments in which the Sub-Fund invests, could be traded on a regulated market. However most of the bond trades will take place in over-the-counter (OTC) markets or on different trading venues such as multilateral trading facilities.

The Sub-Fund may also invest in liquidities and deposits denominated in euros. Liquidities may also be invested in Instruments such as commercial paper and short-term government bonds may be used to manage liquidities.

### Investment guidelines

The Sub-Fund may invest in the selected financial instruments directly. The Fund does not make use of derivative positions.

### Investment restrictions

The Sub-Fund will predominantly invest in investment grade corporate bonds denominated in euro. However, all types of subcategories of corporate bonds are allowed without limitations: fixed rate and floating rate bonds, senior as well as all kinds of subordinated bonds, short- medium- long- term and perpetual bonds, (contingent) convertibles and, use of proceeds bonds. Moreover, other types of bonds such as government bonds and bonds issued by supranational institutions, are allowed as well.

The following investment restrictions must be complied with by the Management Company when pursuing the investment policy of the Sub-Fund:

- the Sub-Fund may temporarily finance up to 10% of its total assets with borrowed capital;
- the Sub-Fund invests no more than 5% of its net asset value in financial instruments issued by one company;
- the Sub-Fund invests no more than 5% of its net assets in contingent convertibles;
- the Sub-Fund invests no more than 25% of its net asset in financial instruments with a credit rating lower than BBB- or not rated.

The credit rating referred to above will to be determined using the lower rating of Moody's or S&P for the instrument.

In case of a mandatory conversion with regards to investments in AT1 and convertibles, i.e. a passive breach (as no active decision has been made), the stock is sold as soon as practicable but within the time limits of a passive breach which is 5 working days.

The Management Company may change these investment restrictions at its own discretion with due observance of the provisions regarding the amendment of the Fund Terms and Conditions as set out in this Prospectus (see Chapter 10 'Reporting and other information', 'Amendment of the Prospectus and/or the Terms and Conditions').

The Management Company is authorized to deviate from the investment policy with due regard for the interests of the Participants, insofar as this deviation is caused by an event outside the control of the Management Company. This situation could arise, for example, by the downgrading of the ratings of the relevant financial instruments, in the event of a merger or takeover of a company in which the Fund invests.

### Responsible investment (ESG)

This Sub-Fund incorporates the ESG criteria of the Management Company in the investment process, as outlined in the paragraph "Responsible investment (ESG)" in the general part of this Prospectus.

In addition, this Sub-Fund falls under the scope of Article 8 of the SFDR which means that the Sub-Fund promotes environmental and/or social characteristics, including an assessment of good governance practices of the investee companies. This Sub-Fund takes into account the following specific environmental and social criteria when screening the underlying investments, provided that it neither commits to making sustainable investments within the meaning of the SFDR nor to investing in economic activities that qualify as "environmentally sustainable" under the Taxonomy Regulation: climate change mitigation and climate change adaptation, the protection of biodiversity and ecosystems and the transition to a circular economy (E), decent work, adequate living standards and wellbeing for end-users, and other social topics such as gender equality and broader diversity matters (S).



The environmental characteristics promoted by this Sub-Fund seek to contribute to the achievement of the climate goals of the Paris Climate Agreement. This decarbonisation pathway encompasses short-term (2025) objectives, a mid-term ambition (2030) and a long-term commitment to be net zero by 2050.

More information about the environmental or social characteristics for this Sub-Fund is available in the SFDR Annex in the of this Sub-Fund Specific Information.

The sustainability risk assessment process is performed as part of the investment analysis by taking into account the specific ESG criteria for this Sub-Fund as outlined in the paragraph “Responsible investment (ESG)” in the general part of this Prospectus. We assess the ESG profile of each company on a case-by-case basis, taking into account material risks in a given industry in combination with the company’s respective risk exposure, practices and disclosure. This includes an assessment of good governance practices. The risk assessment is conducted by making use of data from external and/or internal providers, of which some are specialized in ESG-related data and associated risk-ratings. For investments where there is an indication of conduct or activities not in line with the formulated responsible investment criteria or based on the risk profile of issuers as a result of integration of E, S and G factors, a decision is made by the Management Company on whether to engage with the issuer or exclude the issuer from the eligible investment universe of this Sub-Fund. The Management Company believes in engagement with its investee companies with the aim to achieve positive change on specific ESG topics (active ownership). Practicing active ownership is part of the investment process of the Management Company and has a significant role in contributing to minimizing and mitigating sustainability risks, as well as enhancing the long term economic and societal value of the investee company over time.

The Sub-Fund integrates sustainability risks in the investment-decision making process with particular consideration for the principal adverse impacts on sustainability factors. This includes engagement with investee assets and active ownership (e.g., voting). Taking the investment strategy and asset allocation, the ESG integration approach, applicable binding elements as well as the stewardship activities into account the likely impact of sustainability risks on the return of the Sub-Fund is expected to be medium to low.

More information on the implementation and on the binding elements in the investment process of responsible investment and ESG criteria for this Sub-Fund can be found on [www.vanlanschotkempen.com/investment-management](http://www.vanlanschotkempen.com/investment-management) by selecting the Sub-Fund and also in the SFDR Annex of this Sub-Fund Specific Information.

### 3. Risk factors

Alongside the general risks as outlined in chapter 3, this Sub-Fund is also subject to the following specific risks:

- The risk of the investment is influenced by uncertainty of the development of the interest rate. The duration is mainly determined by the remaining period to maturity of fixed-income investments and the level of the interest rate.
- The downgrade risk of the value of fixed-income investments due to a reduction of the creditworthiness of the issuer. The creditworthiness is influenced by (a market assessment of) the probability of timely interest payment and repayment by the debtors.

## 4. Capital and Participations

### Classes of Participations

In chapter 4 the subdivision in Classes is described as well as the conditions that apply for eligibility for the Classes. This Sub-Fund is divided in the following Classes of Participations with the following characteristics.

Classes	ISIN	Minimum investment amount	Restricted availability
Class R	NL0015001RA1	EUR 250.000	Restricted to Distributors approved by the Management Company
Class F	NL0015001R95	Initial EUR 25.000.000 and each following investment at least EUR 250.000	Restricted to Distributors approved by the Management Company

## 5. Participation Transactions

### This Fund is open for investors in Belgium under the private placement exemption

This offering is to be exclusively conducted under the applicable private placement exemption and therefore has not been and will not be notified to, and any other offering material relating to the offering has not been, and will not be approved by the Belgian financial services and markets authority (*Autoriteit voor financiële diensten en markten / Autorité des services et marchés financiers*) pursuant to the Belgian Laws and Regulations applicable to the public offering of securities. Accordingly, this prospectus and any other documents or materials related to the offer or sale, or invitation for subscription or purchase, of interests in the AIF, may not be advertised, offered or distributed in any other way, directly or indirectly, to (i) persons residing or established in Belgium, other than a professional clients within the meaning of the Royal Decree of 19 December 2017 laying down detailed rules on the implementation of the Directive on Markets in Financial Instruments or (ii) to a retail investor if the offer is made with a minimum equivalent of at least EUR 250,000 per investor.

### Issue and redemption of Participations

#### Dealing Day

Issue and redemption frequency will, in principle, take place once a month on the Valuation Day, except in exceptional situations. The Valuation Day is on the fifth (5) Business Day before the end of each month and such other calendar day as the Management Company may from time to time determine on which the Net Asset Value is determined for which Participations may be issued or redeemed.

#### Subscription and redemption orders

Subscription and redemption orders must be sent by a bank or broker to the Transfer Agent via the trading platforms as published on the Website. Subscription and redemption orders must be sent by a bank or broker before 16.00 CET on Business Day before the Valuation Day. Only subscription and redemption orders that have been sent to the applicable trading platforms before this Cut-off Time will be executed at the Transaction Price of the next Valuation Day. The orders received after this Cut-off Time will not be executed on the next Valuation Day, but one Valuation Day later and at the then applicable Transaction Price.

The Transfer Agent is responsible for accepting or refusing the subscription and redemption orders in the Classes of Sub-Funds that have been sent to the relevant trading platform before 16.00 CET on each Business Day. The Management Company is responsible for the daily publication of the Transaction Price on the Website.

## 6. Valuation method

The base currency of the Sub-Fund is Euro.

## 7. Costs and Charges

In addition to general provisions regarding costs and fees as described in chapter 7, the investment manager fee and service fee are specified below. Please note that other costs can be charged to the Sub-Fund as explained in chapter 7 under the heading 'Other costs'.

#### Start-up costs

The start-up costs for the Sub-Fund amounted to € 36.000 including VAT and will be amortised over a period of 5 years.

#### Investment manager fee

The investment management fee is calculated and accrued daily on the Net Asset Value of the Sub-Fund and corresponds to the scheme below, which is expressed in fees per annum:

Investment manager fee	Class F	Class R
Percentage of Class size	0.50%	0.70%

### Service fee

The service fee is determined annually on basis of the net asset value as of the last day of the previous Financial Year, with the following rate:

Service fee	Percentage of the sub-fund size
Percentage of Sub-Fund size	0.10%

### Total main costs

The total amount of investment manager fee and the service fee chargeable to the Sub-Fund will not exceed the percentages mentioned in the table hereafter of the average Net Asset Value over the year. Please note that other costs can be charged to the Sub-Fund such as start-up costs or incidental extraordinary costs.

Total of investment manager fee and service fee	Class F	Class R
Percentage of Class size	0.60%	0.80%

More information about the Sub-Fund's size is available on the Website under the tab 'Overview' in the table 'Key figures'.

### Ongoing charges figure

The ongoing charges figure is an indication of the direct and indirect costs of investments that are charged to or withheld from the Sub-Fund. This will also include start-up costs and costs of indirect investments, if applicable. The ongoing charges figure can be found on the Website and in the Key Information Document.

## 8. Profit distribution policy

The Sub-Fund can make the following three different distributions to the Investors:

- The coupon received from bonds and the interest paid on the cash in the Sub-Fund will be distributed on a monthly basis;
- The realized and unrealized capital gains will be distributed annually at year end;
- The accrued interest in the sale of bonds in the Sub-Fund will be distributed annually at year end.

## 9. Tax position

### Tax aspects applicable to the Sub-Fund

The Sub-Fund has obtained a tax ruling from the Belgian tax ruling service, which lays out the conditions, requirements and restrictions, as described in the paragraph "Additional investment requirements based on tax ruling" in this Sub-Fund Specific Information.

The benefits derived from the tax ruling are dependent on financial market dynamics, which may vary overtime to the benefit or the detriment of the investor, as the case may be.

### Tax aspects applicable to the Participants

Participants resident in Belgium are advised to consult their own tax adviser regarding the tax aspects applicable to their investment.

## SFDR Annex - Environmental and/or social characteristics

SFDR ANNEX II Template 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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** MerLan Bond Fund

**Legal entity identifier:** 213800NZ1QBZRSMGTC81

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The financial product promotes **environmental characteristics** related to **climate change mitigation and climate change adaptation** by avoiding exposure to:

- Mining coal for electricity generation and selling it;
- The unconventional oil & gas extraction;
- Electricity production by companies that do not have an SBTi. SBTi are science-based targets that provide thorough analysis of emissions and reduction plans.

No specific sustainability index has been designated as a reference benchmark for the purpose of attaining the above environmental characteristics.

The financial product promotes the **social characteristics** related to **ethical values and a healthier and safer world** by avoiding exposure to:

- Companies with a 'fail' status on the UN Global Compact or that violate the OECD Guidelines for Multinational Enterprises;
- Companies with a red flag for controversy;
- Tobacco;
- All types of weapons: controversial weapons, nuclear weapons, (un)conventional weapons and civilian weapons;

x Pornography.

No specific sustainability index has been designated as a reference benchmark for the purpose of attaining the above social characteristics.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The following sustainability indicators are used for the purpose of measuring attainment of the respective environmental and social characteristics:

Environmental sustainability indicators:

x **Exposure to companies in the fossil fuel industry** is used because this indicator is closely related to the ecological characteristics that the financial product promotes. Moreover, such companies run the risk of stranded assets. It is not grounds for complete exclusion if companies are active in the fossil fuel industry, but a reduced allocation to these companies is being pursued to limit this risk.

Social and governance sustainability indicators:

x Exclude companies that **violate UNGC principles and OECD Guidelines;**  
x Exposure to **controversial weapons** (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

Firm level exclusions:

x Companies with a 'fail' status on the **UN Global Compact**  
x Companies that violate the **OECD Guidelines for Multinational Enterprises**  
x Companies with a **red flag for controversy**  
x Turnover from **tobacco production** >0%, distribution > 5%, services >20%  
x Turnover from **thermal carbon** >5%  
x Turnover from **unconventional oil & gas extraction** >5%  
x Turnover from **controversial weapons** >0%  
x Turnover from **nuclear weapons** >0%  
x Turnover from **conventional arms** >5%  
x Turnover from **civilian arms** >5%  
x Turnover from **pornography** >5%  
x **Electricity producing companies without SBTi**

● **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?**

Not applicable

● **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

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

Not applicable

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Not applicable

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**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.

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

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes, \_\_\_\_\_
- No

The financial product considers principal adverse impacts on sustainability factors through the specific sustainability indicators it uses to assess the extent to which its (proposed) investments contribute to the environmental and social characteristics it promotes, which include principal adverse impact indicators. These indicators are embedded in the financial product’s ESG investment process, which is based on the following ‘pillars’: negative screening and norms-based screening. The due diligence and monitoring of the financial product includes from Annex 1 table 1, the PAI (Principal Adverse Impact Indicator) 4 on exposure to the fossil fuel sector, PAI 10 on violations of the principles of the UN Global Compact or of the OECD guidelines for multinational companies on social and human resources issues and PAI 14 on exposure to controversial weapons.

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

The v will mainly invest in euro bonds of companies with an investment grade rating. Up to a maximum of 25% may be invested in bonds with a rating lower than BBB- or without a rating. The ESG process is based on the following pillars: negative screening and norms-based screening.

**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?**

Exclusion & Avoidance:

Exclusion and Avoidance is about avoiding harm, i.e. not investing in companies associated with controversial activities, including certain key adverse effects. The financial product excludes companies based on negative and norm-based screening.

Norms-based screening:

Excluded by the norms-based screening:

- x Companies with a 'fail' status on the UN Global Compact
- x Companies that violate the OECD Guidelines for Multinational Enterprises

Negative screening:

The financial product applies negative screening. It promotes the prevention of serious harm by excluding products or activities believed to be too harmful to people or the planet:

- x Companies with a **red flag for controversy**
- x Turnover from **tobacco** production >0%, distribution >5%, services >20%
- x Turnover from **thermal carbon** >5%
- x Turnover from **unconventional oil & gas extraction** >5%
- x Turnover from **controversial weapons** >0%
- x Turnover from **nuclear weapons** >0%
- x Turnover from **conventional arms** >5%

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



x	Turnover from <b>civilian arms</b>	>5%
x	Turnover from <b>pornography</b>	>5%
x	<b>Electricity producing companies without SBTi</b>	

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable

● **What is the policy to assess good governance practices of the investee companies?**

Good governance includes the presence of good: management structures, relations with employees and remuneration of the personnel involved. Compliance with tax legislation is also part of good governance.

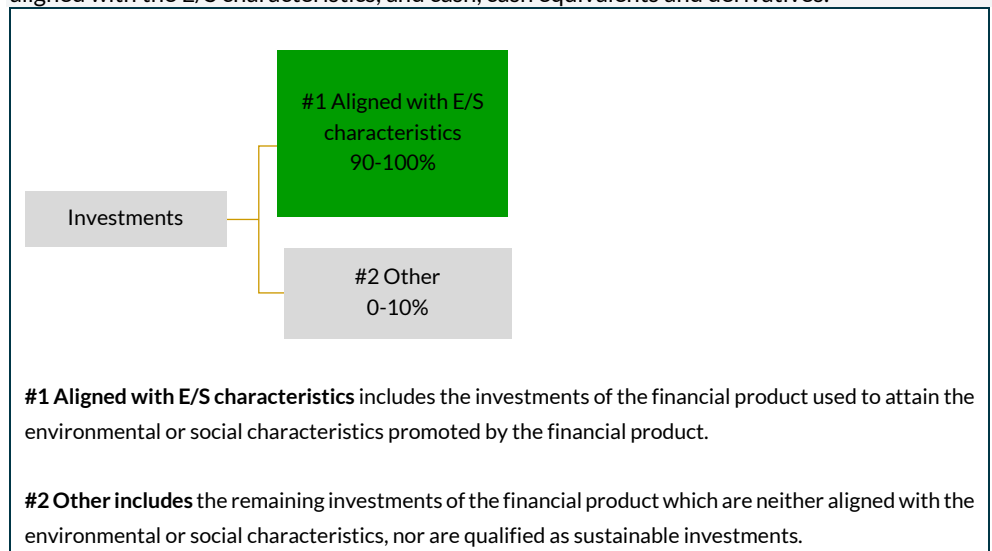
We do not invest in: companies with a 'fail' status on the UN Global Compact, companies that violate the OECD Guidelines for Multinational Enterprises or in companies with a red flag for controversy. In this way, companies with bad good governance practices are avoided.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



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

At least 90% of the investments of the financial product are aligned with the E/S characteristics. The investments in the category 'Other', estimated between 0-10%, include investments not aligned with the E/S characteristics, and cash, cash equivalents and derivatives.



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

Not applicable, the financial product doesn't use derivatives.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

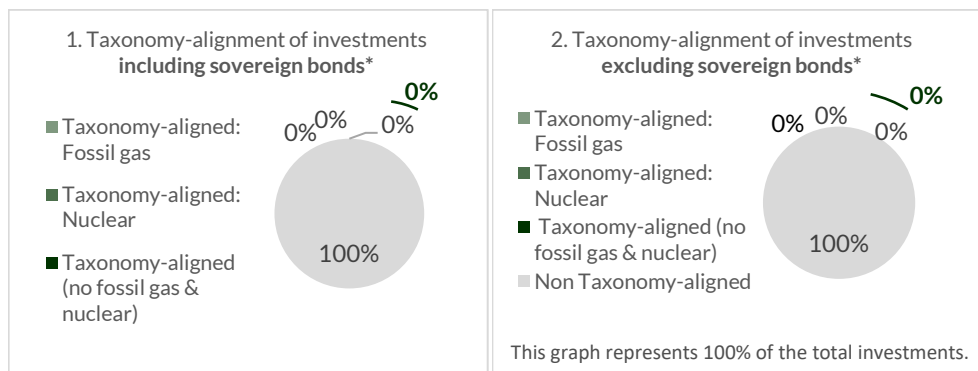
### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy <sup>3</sup>?

Yes  
 in fossil gas  in nuclear energy  
 No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

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

0%

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

0%

### What is the minimum share of socially sustainable investments?

0%

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

The "#2 Other" category may consist of investments held for liquidity (ancillary liquid assets) and/or rebalancing purposes. No minimum environmental or social safeguards will be in place in relation to such holdings.

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

More product specific information can be found in the ESG Policy & Process document on the website: [www.vanlanschotkempen.com/investment-management](http://www.vanlanschotkempen.com/investment-management) by selecting the financial product and accessing the ESG Information section and on the website of the investment manager [www.merciervanlanschot.be](http://www.merciervanlanschot.be).



<sup>3</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



# Annex 1 - Terms and Conditions

These Terms and Conditions of the BestSelect AIF Funds, which are established by the Management Company and the Legal Owner, are effective as of 5 July 2024.

## Article 1. Definitions

1. In these Terms and Conditions, capitalized words and abbreviations have the following meanings, unless explicitly stated otherwise:

- **Article:** An article of these Terms and Conditions;
- **Business day:** any day on which Euronext Amsterdam is open for trading. In case more than 50% of the underlying assets of a Sub-Fund are traded in the US, both Euronext Amsterdam and the US markets should be open for trading to be considered as a Business Day;
- **Class:** Participations specified as separate Class of a Sub-Fund, whose assets will be commonly invested but where a specific, fee structure, minimum investment amount, specific remittance reduction (see Chapter 9 Tax position), distribution policy or other feature may be applied;
- **Cut-off time:** The time (16:00 Amsterdam time) by which orders must be received by the Management Company to be accepted for execution the next Business Day;
- **Distributor:** An investment company with which the Management Company has established a Distribution Agreement, on the basis of which this investment company offers Participations to clients and may buy or sell Participations on behalf of its clients at the clients' own risk;
- **Distribution Agreement:** An agreement between the Management Company and the Distributor which lays down the rights and obligations with respect to the sale of Participations via the Distributor;
- **Depository:** A Depository as defined in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht, Wft*) and appointed by the Management Company;
- **Euronext Amsterdam:** Euronext Amsterdam is part of Euronext Amsterdam NV;
- **Fund:** the assets of the Sub-Funds comprising the collective investments in raised or procured cash or other goods and with a view to sharing investment proceeds with the Participants and which are collectively referred to as BestSelect AIF Funds;
- **Fund Assets:** All assets of the Fund;

- **Legal Owner:** Holding the legal ownership of the Fund Assets for the Participants, with due observance of these Terms and Conditions;
  - **Management Company:** the management company (*beheerder*) of the Fund, as referred to in Article 5;
  - **Meeting of Participants:** the meeting of Participants as referred to in Article 15;
  - **Net Asset Value:** The Net Asset Value of the Sub-Fund, divided into Classes;
  - **Net Asset Value per Participation:** The Net Asset Value per Participant in a Class of a Sub-Fund;
  - **Participant:** The holder of a Participation i.e. a proportionate part of the economic rights of the Sub-Fund and / or Class;
  - **Participation:** the proportionate parts into which the economic rights of the Participants with respect to the assets of the corresponding Sub-Fund and / or Class;
  - **Prospectus:** The Fund's prospectus and the accompanying Sub-Fund Specific Information and Annex as modified or amended from time to time;
  - **Safekeeping:** keeping goods by way of management (*ten titel van beheer*) for Participants in compliance with these Terms and Conditions;
  - **Sub-Fund:** each part of the Fund for which the assets is accounted for separately and has its own investment policy and into which monies or other assets are specifically pooled for the purpose of collective investment, in order for the participants to share in the proceeds of the investments under specific Fund terms applicable to that part.
  - **Terms and Conditions:** The present Terms and Conditions of the Fund, as modified or amended from time to time;
  - **Transfer Agent:** Van Lanschot Kempen NV;
  - **Website:** [www.vanlanschotkempen.com/investment-management](http://www.vanlanschotkempen.com/investment-management);
  - **Wft:** Dutch Financial supervision act (*Wet op het financieel toezicht*).
2. Unless the context requires otherwise, references to "Participations" or "Participants" without further specification are to any Class of Participations or to the holders thereof, respectively.
3. References to statutory provisions are to those provisions as they are in force from time to time.
4. Terms that are defined in the singular have a corresponding meaning in the plural.
5. Words denoting a gender include each other gender.

6. Except as otherwise required by law, the terms "written" and "in writing" include the use of electronic means of communication.

#### Article 2. Name, seat and status

1. The name of the Fund is: BestSelect AIF Funds.
2. The address of the Fund is the same as the address of the Management Company.
3. The Fund is, or intends to be a tax transparent, or non-taxable ('closed') fund for joint account (*fonds voor gemene rekening*) pursuant to Article 2, paragraph 3, of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).
4. The Fund is an investment fund as referred to in Article 1:1 of the Wft. This investment fund is no legal entity, nor a partnership, a partnership under company or a limited partnership.
5. The Fund is divided into one or more Sub-Funds.
6. The Management Company may decide that a Sub-Fund is divided into Classes.

#### Article 3. Objective, investments and borrowed capital

1. Each Sub-Fund's primary objective is to collectively invest capital of the Sub-Funds in financial instruments on behalf of Participants at their own risk.
2. Each Sub-Fund may finance part of its assets with borrowed capital in accordance with the provisions of the prospectus.

#### Article 4. Duration

The Fund and each Sub-Fund has been set-up for an indefinite period of time.

#### Article 5. Management Company and Legal Owner

1. The Management Company manages the Fund and Sub-Funds. The Management Company is allowed to delegate part of its managerial duties and activities to one or more third parties it has appointed provided that only executive and administrative activities can be delegated to the Legal Owner as referred to in Paragraph 2 that fall within its statutory purpose.
2. The Legal Owner is independent of the Management Company.
3. The Legal Owner is the legal title owner of all Fund assets.
4. When performing their activities, the Management Company and Legal Owner will bear in mind only the interest of the Participants
5. Directors of the Management Company will not hold a position with the Legal Owner and vice versa.
6. The Management Company shall, for the benefit of each Sub-Fund and the Participants, enter into a written agreement with a Depository, in accordance with the provisions of Section 4:62m of the Wft.

#### Article 6. Participations

1. A Participant is economically entitled to a Sub-Fund in proportion to the number of Participations held by the Participant which correspond to the relevant Sub-Fund. Without prejudice to Article 11 paragraph 3, and in the proportion as mentioned in the previous sentence, all positive and negative changes in the value of the investment portfolio of a Sub-Fund will be attributed to the Participants who hold the relevant Participations in the relevant Sub-Fund.
2. All Participations will be offered in registered form only.
3. Participations can only be held if (the rights relating to) these Participations towards the Sub-Fund are administered on a securities account with Van Lanschot Kempen NV. Exceptions to this are only possible with the explicit approval of the Management Company. If a Distributor holds a (collective) securities account (whether or not for the benefit of its clients), the relevant clients indirectly acquire a claim on the Sub-Fund through the Distributor. The Distributor is therefore considered to be a Participant and not its clients.
4. Participations cannot be encumbered with a pledge, with the exception that a Participation can be encumbered with a pledge in favour of the Management Company and affiliated companies (as referred to in Section 2:24b of the Dutch Civil Code) only. The Participation, subject to a pledge, immediately expires when the pledge is enforced by the secured creditor (pledgee). Enforcement takes place if and when the pledger has informed the pledger to be in default for his or her obligations under the pledge agreement.

#### Article 7. Issuance, redemption of Participations

1. In principle, issuance and redemption will only take place on Business Days.
2. The Management Company shall be responsible for issuance and redemption. However, the Management Company shall delegate certain tasks related thereto to the Transfer Agent.
3. Requests to issue and redeem Participations must be sent to the Transfer Agent. With due observance of the provisions of Paragraph 4 of this Article, the Management Company shall grant requests for issuance and redemption, except situations as described in Paragraph 3.
4. The Management Company, or the Transfer Agent acting on behalf of the Management Company, may refuse requests for issue or redemption of Participations or limit or suspend requests for issue or redemption of Participations when it is of the opinion that issue or redemption is contrary to any legal

provision, or would be harmful to the Fund's or a Sub-Fund's stated aims and/or existing Participants' interest. Situations in which this may arise are described in the Prospectus in the chapters 'Participation Transactions' and 'Valuation Method'.

5. Requests for issuance and redemption of Participations received by the Transfer Agent no later than 4.00 PM Amsterdam time on a Business Day, whether or not through a Distributor, shall be executed the next following Business Day, except for as described in Paragraph 4 of this Article, on the next Business Day at the date set out in Paragraph 6. of this Article. Requests received after 4:00 PM Amsterdam time on the Business Day will, except for as described in Paragraph 3 of this Article, not be executed on the next Business Day but on the thereon following Business Day.
6. Requests for issuance and redemption of Participations are settled at the Transaction Price. In the event of a net subscription of Participations on the Business Day, the Transaction Price is equal to the Net Asset Value per Participation plus a swing factor. In the event of a net redemption of Participations on a Business Day the Sub-Fund, the Transaction Price is equal to the Net Asset Value per Participation minus a swing factor.
7. From the sake of transparency and simplicity, the Management Company has set the maximum swing factors at 1.5% of the Net Asset Value per Participation. The current swing factors are published on the Website.
8. Payment of requests for issuance and redemption shall be made in cash, unless the Management Company grants approval for issuance or redemption against payment other than in cash. The Management Company may, at its own discretion, apply a swing factor for an issuance or redemption against payment other than cash.
9. On the Business Day prior to the relevant Business Day, the purchase price needs to be present in the Participant's account from which account the purchase amount is transferred.
10. Issue and redemption by the Sub-Fund becomes effective by entry respectively removal from the register of Participations. All this will be administered accordingly on the account with Van Lanschot Kempen NV.
11. Participants must take into account that third parties (such as the Transfer Agent) will charge transaction costs for transactions in the Sub-Fund.
12. Transfer of Participations other than to the Sub-Fund is not possible.
13. The obligation to pay the issue price for a Participation to be allocated is only a contract towards the Legal

Owner. This contract is not a contribution or contract to make a contribution.

14. Transfer of Participations between Participants or to third parties is not possible.
15. The Management Company may decide, within a Sub-Fund, to convert Participations of a particular Class into Participations of another Class within the Sub-Fund.

#### Article 8. Register of Participants

1. The Transfer Agent, on behalf of the Management Company, shall keep a register of Participants, where it shall record the following details of each Participant holding one or more Participations:
  - a. Name;
  - b. the number of Participations.
2. Each entry registration in the register of Participants shall be signed by the Legal Owner.
3. A Participant may request to obtain an extract free of charge from the register of Participations relating to his position.

#### Article 9. Management

1. The Management Company is free in its choice of investments and is authorised to perform all acts of management in respect of the Fund's assets, subject to the Terms and Conditions and the Prospectus. The management includes the determination of the investment policy and the execution of the investments any other act that is connected with or can be conducive to the aforementioned object, in the widest sense.
2. The Management Company has the power to act on its own behalf for the account of the Legal Owner, or on behalf of the Legal Owner in its capacity as custodian of the Fund. To this end, the Legal Owner authorises the Management Company to perform all actions with respect to the Fund and/or Sub-Fund, including investment of the Fund's assets and the raising, disposal and encumbrance of the assets and entering into obligations to be charged to the Fund and/or Sub-Fund and for all other actions with respect to which the Management Company represents the Legal Owner on the basis of a stipulation in these rights in favour of the Fund and/or Sub-Fund and the Terms and Conditions, all of which in due observance of the stipulations contained in the Terms and Conditions and the Prospectus. The Management Company cannot represent Participants.
3. The Management Company will report on the management tasks it performed to the Legal Owner at set times. The following applies if the Management Company, with due observance of Paragraph 2, has had access to Fund's assets without the cooperation of

the Legal Owner. The Legal Owner can compel the Management Company to reverse this via an order following the rejection of the report by the Legal Owner when it is not in accordance with Article 3 and which incidentally is stipulated in these Terms and Conditions, insofar as this has consequences for the Fund and/or Sub-Fund and, as far as is possible, without any corresponding costs being charged to the Fund and/or Sub-Fund. This report can contain Article 10 Paragraph 4 as an explanation.

4. The Legal Owner has the authority to appoint an interim Management Company if the current Management Company for whatever reason can no longer perform its duties, while no succeeding Management Company has been appointed yet. The interim Management Company will hold that position until the next general meeting of Participants appoints a succeeding Management Company.
5. The Legal Owner has to convene a meeting of Participants within four weeks when circumstances as described in Paragraph 4 of this Article have occurred or when the Management Company has indicated otherwise its intention to resign its position with a view to appointing a new Management Company. If the Management Company still performs its duties but has indicated its intention to resign its position, then the Management Company will continue to perform its duties for a reasonable period until a new Management Company is appointed.
6. Any liability of the Management Company for its acts (or its refraining from acting) on the basis of the Terms and Conditions or otherwise is explicitly excluded, except when this is due to gross negligence or wilful default of its obligations with respect to the selection of third parties.

#### Article 10. Legal ownership

1. All assets that are part of or will be part of the Sub-Fund have been or will be obtained by way of management (*ten titel van beheer*) by the Legal Owner on behalf of the Participants who are economically entitled to the relevant Sub-Fund, whereby it is expressly stated that the Legal Owner acts in its capacity as Legal Owner of the Sub-Fund's assets, including cash, will be held in name of the Legal Owner. All bank accounts and entitlements registered by name will likewise be held in name of the Legal Owner. The Management Company and the Legal Owner shall only jointly dispose of all assets, except for as described in Paragraph 2 of Article 9.
2. All liabilities that are part of or will be part of the Fund and /or Sub-Fund have been or will be obtained in name of the Legal Owner, in which case it is explicitly stated that the Legal Owner acts in its capacity as

Legal Owner of the Fund and /or Sub-Fund. As legal title holder of the Fund's assets the Legal Owner will be the contracting party in any contracts with third parties. Only the Legal Owner will be liable for non-compliance with the Fund's and/or Sub-Fund's obligations towards these third parties.

3. As far as required, the Sub-Fund's assets held will be deposited in name of the Legal Owner with financial institutions who are of good standing.
4. The Legal Owner will only deliver the assets upon receipt of a written statement of the Management Company in which it is stated that such deliverance is required as a result of the regular activities related to the management of the Fund.
5. The Management Company has the authority to appoint an interim legal owner if the current Legal Owner for whatever reason does no longer perform its duties, while no succeeding legal owner has been appointed yet. The interim legal owner will hold that position until the next meeting of Participants appoints a succeeding legal owner.
6. The Management Company has to convene a meeting of Participants within four weeks when circumstances as described in Paragraph 5 of this Article have occurred or when the Legal Owner has indicated otherwise its intention to resign its position with a view to appointing a new legal owner. If the Legal Owner is still performing its duties but has indicated its intention to resign its position, then the Legal Owner will continue to perform its duties for a reasonable period until a new legal owner is appointed.
7. Any liability of the Legal Owner for its acts (or its refraining from acting) on the basis of the Terms and Conditions or otherwise is explicitly excluded, except when this is due to gross negligence or wilful default of its obligations. This also applies when the Legal Owner has entrusted any of the Fund's assets deposited with him wholly or partially to a third party.

#### Article 11. Legal relationship Management -Company - Legal Owner - Participants

1. Every Participant should have taken notice of and subject themselves to the provisions of the Terms and Conditions and declare them to be binding in all respects.
2. Neither the Management Company nor the Legal Owner can commit a Participant towards a third party.
3. Participants are not liable for the obligations of the Management Company and the Legal Owner and are not responsible for the losses of the Fund or the relevant Sub-Fund extending beyond the amount contributed or to be contributed to the Fund or the relevant Sub-Fund in exchange for the Participations held by a Participant.

4. These Terms and Conditions apply to the legal relationship between the Management Company, the Legal Owner and a Participant and do not form an agreement between the Participants among themselves and are not (otherwise) aimed at cooperation between the Participants. These Terms and Conditions and all acts ensuing there from do not form a partnership, commercial partnership or limited partnership or a public or dormant partnership.

#### Article 12. Determination, composition and value of the Fund and Participations

1. Determination of composition and the value of every Sub-Fund and Class calculated daily in Euros, with the investments and the other assets and liabilities in principle valued on the following basis:
  - a. listed financial instruments at their quoted market price after the Fund's Cut-off Time but before the Fund's trading time (forward pricing principle). If this price is deemed not to be representative of the current market value, generally accepted valuation methods for the type of financial instrument concerned are used instead;
  - b. units in unlisted investment institutions at the latest net asset values published by the investment institutions concerned;
  - c. current assets and liabilities at face value;
  - d. all other assets and liabilities are measured by the Management Company at current value using the applicable generally accepted valuation methods.
2. The Management Company has the power to use different valuation methods, including fair value pricing, provided that this is also in the Participants' interests and is done according to generally accepted valuation methods. Such a situation might arise, for example, with highly volatile markets.
3. Participants suffering losses due to publication of an incorrect Net Asset Value per Participation resulting from a calculation error that is attributable to the Management Company only have the right for compensation from the Management Company and not from third parties performing outsourced activities on behalf of the Management Company. Such a right to compensation will only exist if (i) the error relative to the actual Net Asset Value per Participation exceeds 1% and (ii) the amount of compensation per Participant is at least €25. In order to be able to compensate the individual Participant in case of Net Asset Value errors, the Management Company will depend on cooperation of the Distributor.
4. The setting of the Net Asset Value can be suspended:
  - a. if the calculation of the net asset value of a significant proportion of the units of other

investment institutions has been suspended for a period (except for the usual days on which the markets are closed for business);

- b. during a period in which an important regulated market or other market in financial instruments on which a significant proportion of the Fund's assets are listed or regularly traded is closed (except for the usual days on which the markets are closed for business), and during a period in which trading has been limited or suspended;
  - c. if a political, economic, military, monetary or social situation or any instance of force majeure arises which is outside the control of the Fund or the Management Company, making it impossible to measure the value of a significant proportion of the assets or to obtain a valuation in a reasonable and normal manner without financial detriment to the Participants;
  - d. if communication systems normally used to arrive at the price or value of the Fund's assets or to ascertain the current prices on any particular market (regulated or otherwise) are unavailable;
  - e. if currency restrictions or restrictions on the movement of capital prevent the execution of the transactions on behalf of the Fund or if the buying and selling of financial instruments cannot be accomplished at normal exchange rates;
  - f. if, for any reason, the prices and values of the Fund's assets cannot be determined immediately with sufficient accuracy;
  - g. in any other situation, if the Management Company has good grounds to decide that such suspension is necessary to protect the general interest of the Participants concerned.
5. Income and expenses are allocated to the period which they refer to.
  6. The Net Asset Value per Participation is determined by dividing the Net Asset Value of the relevant Sub-Fund by the number of Participations of the Class corresponding with the relevant Sub-Fund, calculated up to two decimals.
  7. Participants can obtain free of charge a monthly overview from the Management Company of at least the following information:
    - a. the value of the Fund Assets;
    - b. the composition of the Fund Assets;
    - c. the number of outstanding Participations; and
    - d. the most recent Net Asset Value per Participation in a Sub-Fund.

This information will also be published via the Website.

#### Article 13. Costs and charges

1. All costs, charges and taxes incurred by the Management Company at the expense of the Sub-Fund are charged to the Sub-Fund, including:
  - a. the service fee to cover the regular costs of the Sub-Fund;
  - b. start-up costs;
  - c. transaction costs;
  - d. all other costs and fees charged by third parties directly relating to the Sub-Fund;
  - e. the investment management fee charged by the Investment Managers.
2. The Management Company may charge the Sub-Fund a monthly management fee.
3. The Legal Owner will not charge the Sub-Fund a separate safekeeping fee.

#### Article 14. Reporting and distributions

1. The Fund's financial year runs from 1 January up to and including 31 December.
2. Each year, within six months after the financial year has ended, the Management Company shall prepare the annual report of that financial year, and annual accounts including the balance sheet, profit and loss account and notes as far as possible subject to the provisions laid down in the Dutch Civil Code title 9 Book 2.
3. The annual accounts as referred to in Paragraph 2 will be reviewed by the auditor that has been assigned by the Management Company or another expert as referred to in section 2:393 Paragraph 1 of the Dutch Civil Code. The auditor shall report the findings of its audit to the Management Company and shall lay down the results of its audit in a statement on the truthfulness of the annual accounts. This statement will be added to the annual account.
4. Each year, within nine weeks after the first half of the financial year has ended, the Management Company shall prepare a semi-annual report for that financial half year, including the balance sheet and profit and loss account as far as possible subject to the provisions laid down in the Dutch Civil Code title 9 Book 2.
5. The Management Company adopts the annual statement and semi-annual statement.
6. As soon as possible after adoption of the aforementioned annual statement within six months after the end of the relevant financial year, copies of the annual account and the related auditor's statement will be made available for Participants for inspection at the offices of the Management Company. The relevant documents will be sent to the Participants on request and free of charge.
7. Without prejudice to the following provision, any income by a Sub-Fund and/or Class will be reinvested.

8. The Management Company may decide to pay-out (interim)dividends to the Participants. The manner and time of payment of such distributions are determined by the Management Company. Any information on the payments of distributions, the composition of the distribution as well as the way of payment will be communicated subject to the provisions in Article 18.

#### Article 15. Meeting of Participants

1. The Management Company will convene a Meeting of Participants as often as it considers this to be in the interest of the Participants .
2. The convening notice for the Meeting of Participants shall be addressed to the Participants and shall be made in accordance with Article 18, at least fourteen days before the start of the meeting. The convocation will state the place of the meeting, as well as the time at which the meeting will be held. It will also include the content of the agenda and all documents for which the Participants should be made aware of, or the place or places where the agenda and documents referred to are available free of charge to the Participants from the day of the convocation.
3. All Participants, the Management Company, the Legal Owner and all those who have been allowed by the chairman of the meeting will be authorised to attend the meeting.
4. Participants who wish to attend the meeting need to send a prior written notice to the Management Company at least five days before the meeting.
5. A Participant may be represented at the meeting, via written authorisation, by another Participant who is himself authorised to exercise the rights arising from the Participations he holds or another person as long as the Management Company accepts this person as a representative. A person who holds Participations through a Distributor, may attend the meeting and exercise voting rights as one of the representatives of the Distributor, provided that this person is economically entitled to the Participations and only insofar as it relates to the person's own claims with regard to the Participations.
6. The meeting will be chaired by a person appointed by the Management Company.
7. Participants, the Management Company, the Legal Owner and those who are allowed by the chairman of the meeting have the right of speech during the meeting.
8. Each Participation gives the right to one vote. A meeting of Participants shall adopt resolutions by majority of the votes cast.
9. Decisions may be taken outside the Meeting of Participants if all Participants agree to the decision.

Decisions may be taken outside the Meeting of Participants by means of e-mail.

10. The chairman shall appoint one attendant to take the minutes. The minutes shall be confirmed and, in evidence thereof, signed by the chairman and the secretary. The Management Company may at all times have a notarial report drawn up. In that case, the signature of the notary on the notarial report will suffice.

#### Article 16. Amendments of the Terms and Conditions and the Prospectus

1. The Management Company and the Legal Owner may amend the Terms and Conditions jointly. The Prospectus can be amended by the Management Company on the understanding that the Prospectus may not be altered such that this leads to a deviation from the Terms and Conditions or is in conflict with the Terms and Conditions.
2. An amendment as referred to in Paragraph 1, will be communicated subject to the provisions of Article 18.
3. Any amendment of the Terms and Conditions through which either the rights or guarantees of the Participants will be reduced or extra charges will be imposed upon the Participant and/or through which the investment policy will be amended, will not be invoked unless a period of one month (or a shorter or longer period as provided for by law) has been expired after the Business Day following the publication of the amendment. The Participants may sell their Participations within this period under the usual terms.

#### Article 17. Cancellation of the Fund, a Sub-Fund and/or Class, Liquidation

1. The Fund, a Sub-Fund and/or Class can be wound up by a decision to this end by the Management Company and the Legal Owner. The decision to liquidate the Fund, Sub-Fund and/or Class will be communicated to

the Participants subject to the provisions in Article 18 and the resolution will be explained on the Website.

2. The Management Company shall act as liquidator for the liquidation of the assets of the Fund, Sub-Fund or Class and shall give account to the Participants before distributing any proceeds to the Participants.
3. During liquidation, these Terms and Conditions shall remain in force insofar as possible.

#### Article 18. Announcements to the Participants

All announcements, convening notices and statements from the Management Company and/or the Legal Owner will be published through the Website. The convening notice for the Meeting of Participants will also be communicated to the Participants per advertisement placed in a Dutch national daily newspaper or sent to the (e-mail) address of each Participant.

#### Article 19. Governing law and Arbitration

1. Every legal relationship between the Management Company, the Legal Owner and a Participant shall be exclusively governed by Dutch law.
2. All disputes arising in connection with these Terms and Conditions or any related legal relationships, including disputes concerning the existence and validity thereof, shall be resolved by arbitration in accordance with the rules of the Netherlands Arbitration Institute (*het Reglement van het Nederlands Arbitrage Instituut*).
3. The following applies here:
  - a. The arbitral tribunal shall comprise three arbitrators;
  - b. the place of arbitration shall be Amsterdam;
  - c. the proceedings shall be conducted in the Dutch language;
  - d. the arbitral tribunal shall decide in accordance with the rules of law;
  - e. the Netherlands Arbitration Institute may not have the arbitral judgement published.



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