

PROSPECTUS

relating to Shares in

Investing for Development SICAV

Société d'Investissement à Capital Variable – Organisme de placement collectif
soumis à la Partie II de la loi du 17 décembre 2010

Luxembourg

June 2026

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Important Information

This Prospectus comprises information relating to Investing for Development SICAV (the "**Fund**"), which is registered under Part II of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment. Such registration does not, however, imply approval by any Luxembourg authority of the contents of this prospectus (the "**Prospectus**") or of the portfolio of assets held by the Fund. Any representation to the contrary is unauthorised and unlawful.

This Prospectus includes two sections: section I, containing the general provisions which are applicable to all Sub-Funds and section II, containing the Sub-Fund Particulars, detailing the specific provisions relating to each Sub-Fund.

The directors of the Fund (the "**Board of Directors**") are the persons responsible for the information contained in the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is at its date in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the Fund (the "**Controller**") will be processed by the Controller in accordance with the Privacy Notice referred to in Section 13 "Data Protection" of the General Provisions of the Prospectus, a current version of which is available and can be accessed or obtained online at www.lmdf.lu/en/privacy and www.fccf.lu/en/privacy. Shareholders are informed that their personal data or information given in the Application Form, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of such Privacy Notice. Investors and any person contacting, or otherwise dealing directly or indirectly with the Controller are invited to read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controller.

The Fund draws the Investors' attention to the fact that any Investor will only be able to fully exercise his/her/its investor rights directly against the Fund, notably the right to participate in general meetings of Shareholders, if the Investor is registered himself/herself/itself and in his/her/its own name in the register of Shareholders. In case where an Investor invests in the Fund through an intermediary investing into the Fund in his/her/its own name but on behalf of the Investor, (i) as it may not always be possible for the Investor to exercise certain Shareholder rights directly against the Fund or (ii) as its rights may be affected in the event of indemnification for errors of Net Asset Value or non-compliance with the investments rules applicable to each Sub-Fund, Investors are advised to take advice on their rights.

If you are in any doubt about the contents of the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

The most recent annual report and semi-annual report of the Fund are available, once published, at the registered office of the Fund and will be sent to Investors upon request. Such report or reports shall be deemed to form part of the Prospectus.

Statements made in the Prospectus are based on the law and practice currently in force in Luxembourg and are subject to changes therein.

No person has been authorised to give any information or to make any representations in connection with the offering of shares issued by the Fund ("**Shares**") other than those contained in this Prospectus and the reports referred to above, and, if given or made, such information or representations must not be relied on as having been authorised by the Fund. The delivery of this Prospectus (whether or not accompanied by any report) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date hereof. An amended or updated Prospectus shall be provided, if necessary, to reflect changes to the information contained herein.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Fund to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus may be translated into other languages. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text prevails to the extent permitted by the applicable laws or regulations, and all disputes as to the terms thereof are governed by, and construed in accordance with, the laws of Luxembourg.

The typical investor in the Fund is an individual or institution who has an interest in investing in a way to contribute to social and/or environmental advancement of developing countries. The typical investor is aware that the Fund seeks dual objectives, social/environmental impact and financial return, and is willing to invest for the long term and accepts a possibly lower return on investment than available from purely return-oriented investment vehicles.

Investment in the Fund should be regarded as a long-term investment. There can be no guarantee that the objective of the Fund will be achieved.

Your attention is notably drawn to the Section 4 "*Risk Factors and their Mitigation*" and the risk sections of each specific section for each sub-fund (the "**Sub-Fund Particulars**").

In addition, the Fund's investments are subject to the risks inherent in all investments and there can be no assurances that appreciation will occur. It will be the policy of the Directors to maintain a diversified portfolio of investments so as to minimise risk.

Potential subscribers and purchasers of Shares in the Fund should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding and disposal of Shares in the Fund.

Potential subscribers should note that the structure of the Prospectus is made up of Section I which contains general provisions applicable to all Sub-Funds (as defined hereinafter) and the Fund as a whole, and of Section II which contains the provisions which are specific to each available Sub-Fund.

1933 Act and 1940 Act

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or registered or qualified under applicable state statutes and none of the Shares may be offered or sold, directly or indirectly, in the United States of America or in any of its territories or possessions (the "**United States**"), or to any person that is a "US Person" as defined in rules under the 1933 Act, except in a transaction which is exempt from registration under the 1933 Act and such applicable state statutes. The Fund has not been and will not be registered under the United States Investment Fund Company Act of 1940, as amended (the "**1940 Act**") and Investors will not be entitled to the benefit of the 1940 Act.

The Fund reserves the right to accept a subscription from of for the benefit of, or register the holding by, a US Person who certifies to the Fund's satisfaction, in his/her/its sole discretion, that he/she/it is a "qualified purchaser" as defined in the 1940 Act and an "accredited investor" as defined in rules under the 1933 Act, but will not accept any subscription from a US Person who is unable to make such certification.

The Fund will not knowingly offer or sell Shares to any Investor to whom such offer or sale would be unlawful, or might result in the Fund incurring any liability to taxation (including pursuant to Luxembourg laws) or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer or would result in the Fund being required to register under the 1940 Act or incur any other regulatory burdens determined in the Fund's sole judgment. Shares may not be held by any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations. Each Investor must represent and warrant to the Fund that, among other things, he/she/it is able to acquire Shares without violating applicable laws. Power is reserved in the articles of association of the Fund (the "**Articles**"), to compulsorily redeem any Shares held directly or beneficially in contravention of these prohibitions.

Prevention of money laundering and terrorist financing

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism, the Grand-Ducal Regulation dated 1 February 2010, the CSSF Regulation 12-02 of 14 December 2012, CSSF

Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements), obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from acts/occurrences of money laundering and financing of terrorism. As a result of such provisions, the registrar and transfer agent of a Luxembourg UCI must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. Accordingly, the Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification.

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

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

Where the Shares are subscribed through an intermediary acting on behalf of its customers, enhanced due diligence measures will be undertaken in accordance with Article 3 of the CSSF Regulation 12-02 of 14 December 2012.

Due diligence on investments

Due diligence measures on the investments, which are related to AML/KYC checks, are applied on a risk-based approach, in accordance with applicable Luxembourg laws and regulations.

Taxonomy Regulation

The Taxonomy Regulation was established to provide a classification system which provides investors and investee companies with a set of common criteria to identify whether certain economic activities should be considered environmentally sustainable.

Under the Taxonomy Regulation, an economic activity will be considered to be environmentally sustainable where it:

1. contributes substantially to one or more defined environmental objectives;
2. does not significantly harm any of the environmental objectives;
3. complies with certain minimum social safeguards; and
4. complies with specified key performance indicators known as technical screening criteria.

Only if all of the above criteria are met can an activity qualify as environmentally sustainable under the Taxonomy Regulation ("**taxonomy-aligned environmentally sustainable activity**").

The Taxonomy Regulation currently defines six sustainable investment objectives:

1. climate change mitigation; and
2. climate change adaptation.
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. pollution prevention and control; and
6. protection and restoration of biodiversity and ecosystems.

SECTION I: GENERAL PROVISIONS

DIRECTORY

Registered Office
39 Rue Glesener L-1631 Luxembourg

Board of Directors
Chair:
Mr Raymond Schadeck, independent

Other members:

- Mr Patrick Losch, Appui au Développement Autonome (ADA)
- Ms Christina Pinto, Ministry of Finance
- Mr Michel Maquil, Independent Director
- Ms Natalia Oskian (née Tchassovaia), Independent Director
- Mr Louis de Muyser, Directorate of Development Cooperation, Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade.
- Mr Dzemal Tomic, Banque et Caisse d'Epargne de l'Etat
- Ms Monica Tiuba Nogueira, Independent Director
- Mr Kaspar Wansleben, Executive Director
- Mr Manuel Peters, Banque Internationale à Luxembourg (BIL)

Alternative Investment Fund Manager
Waystone Management Company (Lux) S.A.
1, Avenue de l'Aéroport
L-1110 Senningerberg

Depositary and Paying Agent
Banque et Caisse d'Epargne de l'Etat, Luxembourg
1, place de Metz
L-2954 Luxembourg

Administrative Agent and Registrar and Transfer Agent
UI efa S.A.
2, rue d'Alsace
L-1017 Luxembourg

Approved Statutory Auditor
Deloitte Audit
20, Boulevard de Kockelscheuer
L-1821 Luxembourg

Legal Advisers
Elvinger Hoss Prussen
société anonyme
2, Place Winston Churchill
L-1340 Luxembourg

GLOSSARY OF TERMS

The following definitions apply throughout this Prospectus unless the context otherwise requires:

"2010 Law" The Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.

"Administrative Agent" UI efa S.A.

"Administration Functions" has the meaning set out under Section 8.3.

"Administration Functions Provider" has the meaning set out under Section 8.3.

"AIFM" The alternative investment fund manager of the Fund as defined in the AIFM Directive, currently Waystone Management Company (Lux) S.A., or its successor as appointed by the Directors from time to time.

"AIFM Directive" The Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers as amended from time to time.

"AIFM Law" The law of 12 July 2013 on alternative investment fund managers, as amended from time to time.

"AIFM Regulation" The Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision as amended from time to time.

"AIFM Rules" The rules contained by the AIFM Directive, the AIFM Regulation and any binding guidelines or other delegated acts and regulations issued from time to time by the EU relevant authorities pursuant to the AIFM Directive and/or the AIFM Regulation, as well as by any national laws and regulations (such as the AIFM Law) which are taken in relation to (or transposing either of) the foregoing.

"Application Form" Document signed or to be signed by an Investor who desires to subscribe to Shares (Commitment Agreement for example).

"Approved Statutory Auditor" Deloitte Audit.

"Articles" The articles of association of the Fund as amended from time to time.

"Board of Directors" The board of directors of the Fund.

"Business Day" A week day on which banks are normally open for business in Luxembourg.

"Class" Each class of Shares within any Sub-Fund of the Fund.

"Depository" Banque et Caisse d'Epargne de l'Etat, Luxembourg (Spuerkeess).

"Director" Any director for the time being of the Fund.

"EU" European Union.

"Euro" or "EUR" or "€" The legal currency of the European Monetary Union.

"FATCA Rules" Refers to the Intergovernmental Agreement (IGA) entered into between the Luxembourg and US governments on March 28, 2014, the Luxembourg law transposing the IGA, as well as, to the extent relevant, provisions of the US Foreign Account Tax Compliance.

"FFI" Foreign Financial Institution.

"Fund" Investing for Development SICAV.

"IGA" Intergovernmental Agreement.

"Investor" An investor who has made a commitment to subscribe, or has subscribed, to Shares.

"Mémorial" The Mémorial C, Recueil des Sociétés et Associations.

"MiFID II" Directive 2014/65/UE of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

"Net Asset Value" or "NAV" The net asset value of the Fund, a Sub-Fund, a Class or per Share as determined pursuant to Section 7 "*Net Asset Value*".

"PRIIPs Regulation" Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) as amended from time to time.

"Prospectus" This prospectus, being composed of Section I "*General Provisions*" and of Section II "*Sub-Fund Particulars*".

"Shares" Any share in the Fund from any Class within any Sub-Fund subscribed by any Shareholder.

"Shareholder(s)" All or any of the shareholders of the Fund or of any Sub-Fund or of any Class, as applicable.

"Spuerkeess" Banque et Caisse d'Epargne de l'Etat, Luxembourg.

"Sub-Fund" A specific portfolio of assets and liabilities within the Fund, having its own Net Asset Value and represented by one or more Classes, the features of which are specified in the relevant Sub-Fund Particulars in Section II of the Prospectus.

"Sub-Fund Particulars" The particular features of each Sub-Fund as disclosed in Section II of the Prospectus.

"RCS" *Registre de Commerce et des Sociétés, Luxembourg*

"RESA" *Recueil Electronique des Sociétés et Associations*

"Taxonomy Regulation" The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 as amended from time to time.

"UCI" Undertaking for collective investment, i.e. undertaking the sole objective of which is the collective investment in securities, financial instruments or other assets.

"US" United States of America.

"US Person" The term "US Person" shall have the meaning as described in the US Securities Act of 1933 and in the Foreign Account Tax Compliance Act.

"USD" United States dollars, the legal currency of the United States of America.

"Valuation Day" Means the day as at which the NAV is determined, as detailed for each Sub-Fund, in the relevant Sub-Fund Particulars.

Words importing the singular shall, where the context permits, include the plural and vice versa.

Any reference to a person in this Prospectus means that person or any of its duly appointed delegate(s), agent(s) or representative(s).

1. Structure of the Fund

The Fund is an investment company organised as a public limited company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* (SICAV). The Fund is authorised as an undertaking for collective investment ("**UCI**") under Part II of the 2010 Law. It qualifies as an externally managed alternative investment fund ("**AIF**") under the AIFM Law. As indicated in Section 8.2 below, the Fund has appointed Waystone Management Company (Lux) S.A. as its AIFM.

The Fund was incorporated for an unlimited period under the name of Luxembourg Microfinance and Development Fund in Luxembourg on 7 October 2009. The capital of the Fund shall be equal at all times to the net assets of the Fund. The minimum capital of the Fund, as prescribed by law, is Euro 1,250,000. The Articles were deposited with the RCS and were published in the Mémorial on 2 November 2009. The Articles have been amended on 16 May 2017. These amendments have been deposited with the RCS and published in the RESA.

The Fund is registered with the RCS under number R.C.S. B 148826.

The Fund is an umbrella fund and as such may operate separate Sub-Funds, each of which is represented by one or more Classes of Shares. The Sub-Funds are distinguished by their specific investment policy or any other specific features disclosed in the relevant Sub-Fund Particulars.

The Fund constitutes a single legal entity. However, the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board of Directors may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more Classes, in which case the Prospectus will be updated accordingly. The Board of Directors may also at any time resolve to close, temporarily or permanently, a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

The Shares of the Fund are currently not listed on a stock exchange. The Board of Directors reserves the right to list the Shares of one or several Sub-Funds or Classes in the future. In such event, the relevant Sub-Fund Particulars will be amended accordingly.

Under Luxembourg law and its Articles, the Fund is authorised to issue an unlimited number of Shares, all of which are without par value.

The base currency of the Fund is the EUR and all the financial statements of the Fund will be presented in EUR.

2. Investment objectives and policies

The exclusive objective of the Fund is to place the funds available to it in securities of any kind and other permitted assets with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolio.

Each Sub-Fund shall pursue a distinct investment policy and the investment restrictions may differ for each of them. The investment policy and, as the case may be, specific investment restrictions, are disclosed for each Sub-Fund in the relevant Sub-Fund Particulars.

The Sub-Funds within Fund shall not use securities financing transactions. As such, the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 shall not apply.

3. Investment restrictions

Any investment restrictions applicable to each Sub-Fund are disclosed in the relevant Sub-Fund Particulars.

4. Risk factors and their mitigation

4.1. General

The investments of the Fund are subject to risks inherent in any investment. It cannot therefore be guaranteed that the investment objectives will be achieved.

Investors must therefore be aware that the value of their investment may fall as well as rise and that past performance is not a guide to future performances. Moreover, Investors may lose some or all of their investment.

Please refer to the relevant Sub-Fund Particulars listing the risk factors particularly applicable to each of the Sub-Funds.

4.2. Certain Tax Risks

4.2.1. OECD's BEPS Action points

The Organisation for Economic Co-operation and Development together with the G20 countries have committed to address abusive global tax avoidance, referred to as base erosion and profit shifting ("**BEPS**") through 15 actions detailed in reports released on 5 October 2015.

As part of the BEPS project, new rules dealing inter alia with double tax treaties abuse, the definition of permanent establishments, controlled foreign companies and hybrid mismatch arrangements, are being introduced into respective domestic law of BEPS member states via EU directives and a multilateral instrument.

The European Council has adopted two Anti-Tax Avoidance Directives being, Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("**ATAD I**") and Directive 2017/952/EU of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries ("**ATAD II**") that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented into Luxembourg law respectively on 21 December 2018 (the "**ATAD I Law**") and on 20 December 2019 (the "**ATAD II Law**") and all of them are applicable since, 1 January 2019 1 January 2020 and 1 January 2022, depending on the measure. The ATAD I Law as well as the ATAD II Law may have a material impact on how returns to Investors are taxed.

At international level, the "Multilateral Convention to Implement Tax Treaty Related Measures to prevent Base Erosion and Profit Shifting" ("**MLI**") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing the results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. The ratification process of Luxembourg has been achieved through the law of 7 March 2019 and the deposit of the ratification instrument with the OECD on 9 April 2019. As a consequence, the MLI entered into force in Luxembourg on 1 August 2019. Its application per double tax treaty concluded with Luxembourg will depend on the ratification by the other contracting state and on the type of tax concerned. Subsequent changes in tax treaties negotiated by Luxembourg incurred by the MLI could adversely affect the returns from the Fund to its Investors.

4.2.2.ATAD III

On 22 December 2021, the European Commission published a proposal for a Directive laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU ("**ATAD III**") which sets out a number of rules designed to prevent the misuse of shell entities – namely, entities with limited or no economic substance - for tax purposes which might potentially, if applicable, impact under certain circumstances the taxation of intermediate entities or portfolio companies and therefore the return to prospective investors. However, it is currently unclear if and in what form ATAD III might be adopted since to date, Members States have still not been able to reach an agreement on ATAD III proposal whether in relation to the substance criteria or the tax consequences.

4.2.3.FATCA and CRS

FATCA and CRS rules being particularly complex and although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the thirty per cent (30%) withholding tax under FATCA or a penalty or fine under FATCA Law or CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA or a penalty or fine under FATCA Law or CRS Law, the value of Shares held by all Investors may be materially affected. The Fund and/or its Investors may also be indirectly affected by

the fact that a non-U.S. financial entity or any intermediate entity through which the Fund invests does not comply with FATCA or CRS regulations even if the Fund satisfies with its own FATCA or CRS obligations.

Prospective Investor are encouraged to carefully read the Sections "*FATCA*" and "*Automatic Exchange of Information*" which are stated in Section 11 "*Taxation in Luxembourg*" (below).

4.2.4.DAC 6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("**DAC 6**"). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the "**DAC 6 Law**").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, meet one or more "hallmarks" provided for in the DAC 6 Law that is coupled in certain cases, with the main benefit test (the "**Reportable Arrangements**").

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

The reporting obligation in principle rests with the persons that design, market, organize, make available for implementation or manage the implementation of the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called "intermediaries"). Prospective investors should note that following a decision of the Court of Justice of the European Union (C-694/20), intermediaries covered by professional secrecy are exempt from the notification obligation under DAC6 vis-à-vis any other intermediary who is not their client. In certain cases, the taxpayer itself can be subject to the reporting obligation.

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

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

In light of the broad scope of DAC 6, transactions carried out by the Fund may fall within the scope of DAC 6 and thus be reportable.

4.3. Certain AIFMD II Risks

4.3.1. Loan origination.

The definition of “loan origination” includes the granting of a loan: (i) directly by an alternative investment fund (“**AIF**”) as the original lender; or (ii) indirectly through a third party or special purpose vehicle which originates a loan for or on behalf of the AIF, or for or on behalf of an AIFM in respect of the AIF, where the AIFM or AIF is involved in structuring the loan, or defining or pre-agreeing its characteristics, prior to gaining exposure to the loan. AIFMs managing AIFs that originate loans shall implement effective policies, procedures and processes for the granting of loans, which may result in increased cost and complexity for the Fund and may adversely impact returns for investors.

4.3.2. Concentration limitations.

The Directive 2024/927/EU of the European Parliament and of the Council of 13 March 2024 amending Directives 2011/61/EU and 2009/65/EC as regards delegation arrangements, liquidity risk management, supervisory reporting, the provision of depositary and custody services and loan origination by alternative investment funds (the “**AIFMD II**”) requires AIFMs that manage AIFs originating loans to ensure that, where such AIF originates loans, the notional value of the loans originated to any single borrower by the AIF does not exceed in aggregate 20 % of the capital of the Fund where the borrower is (a) a financial undertaking as defined in Article 13, point (25), of Directive 2009/138/EC; (b) an AIF; or (c) a UCITS.

4.3.3. Borrower exclusion.

AIFMD II requires AIFMs to ensure that AIFs they manage do not grant loans to the following entities: (a) the AIFM or the staff of the AIFM; (b) the Depositary or the entities to which the depositary has delegated functions in respect of the AIF in accordance with Article 21 of the AIFM Directive; (c) an entity to which the AIFM has delegated functions in accordance with Article 20 of the AIFM Directive or the staff of that entity; or (d) an entity within the same group, as defined in Article 2, point (11), of Directive 2013/34/EU, as the AIFM, except where that entity is a financial undertaking that exclusively finances borrowers that are not referred to in points (a), (b) and (c) of this paragraph.

4.3.4. Risk retention requirements.

AIFMD II prohibits AIFMs from managing AIFs that engage in loan origination where the whole or part of the investment strategy of those AIFs is to originate loans with the sole purpose of transferring those loans or exposures to third parties. Furthermore, pursuant to AIFMD II, the AIF shall be required to retain 5 % of the notional value of each loan that such AIF has originated and subsequently transferred to third parties. That percentage of each loan shall be retained: (a) until maturity, for loans whose maturity is a period of up to eight year; and (b) for a period of at least eight years for other loans.

AIFMD II provides for only few derogations to this requirement, which shall not apply where: (a) the AIF starts to sell assets in order to redeem Shares as part of its liquidation; (b) the disposal is necessary for the purposes of compliance with restrictive measures adopted under Article 215 of the Treaty of the Functioning of the EU, or with product requirements; (c) the sale of the loan is necessary to enable the Fund to implement its investment strategy in the best interests of its investors; or (d) the sale

of the loan is due to a deterioration in the risk associated with the loan, detected by the AIFM as part of its due diligence and risk management process referred to in Article 15(3) of the AIFM Directive, and the purchaser is informed of that deterioration when buying the loan. Upon the request of the CSSF, the AIFM shall be required to demonstrate that it meets the conditions for the application of the relevant derogation set out herein.

This limitation set out in the first paragraph may prevent the Fund from selling a loan (or part of a loan) at a time or in a manner that the AIFM considers to be the most profitable for the Fund, and the derogations set out in the second paragraph might not be sufficient to make up for the AIFM dispose of an investment in a manner that it would deem to be the most profitable for the AIF.

4.3.5. Limitations on leverage.

An AIFM shall ensure that the leverage of a loan-originating AIF it manages represents no more than: (a) 175 %, where that AIF is open-ended; and (b) 300 %, where that AIF is closed-ended.

4.3.6. Policies and procedures.

AIFMD II requires AIFMs that manage AIF engaging in loan-originating activities, to implement effective policies, procedures and processes for the granting of loans. Moreover, AIFMs that manage open-ended AIFs shall be required to select at least two appropriate liquidity management tools from those referred to in Annex V, points 2 to 8 of the AIFMD, after assessing the suitability of those tools in relation to the pursued investment strategy, the liquidity profile and the redemption policy of the AIF. Finally, the AIFM of a loan-originating AIF that is open-ended may be required by its competent authority to demonstrate that the AIF's liquidity risk management system is compatible with its investment strategy and redemption policy.

4.3.7. Transitional provisions.

The transitional provisions of AIFMD II are complex and contain certain requirements whose interpretation and consequences are uncertain.

5. Shares

Shares will be issued in registered form. Shareholders will receive a confirmation of their shareholding. Share certificates will only be issued upon request and at the expense of the Shareholder.

Under the conditions provided for by Luxembourg law, the Board may at its discretion decide to issue, in addition to Shares in registered form, Shares in dematerialised form. Under the same conditions, holders of registered Shares may also request the conversion of their Shares into dematerialised Shares. The costs resulting from the conversion of registered Shares at the request of their holders will be borne by the latter unless the Board of Directors decides that it is in the interests of the relevant Sub-Fund that these costs are borne by such Sub-Fund.

The inscription of the Shareholder's name in the register of Shareholders evidences his/her/its right of ownership of Shares.

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

All Shares must be fully paid-up; they are of no par value and carry no preferential or pre-emptive rights. Each Share of the Fund, irrespective of any Sub-Fund, is entitled to one vote at any general meeting of Shareholders, in compliance with Luxembourg law and the Articles.

Within each Sub-Fund, several Classes of Shares may be issued. More information is disclosed in the relevant Sub-Fund Particulars.

6. How to deal

6.1. Issue of shares

Shares will be issued and distributed in accordance with the provisions of the relevant Sub-Fund Particulars.

6.2. Redemption

The Articles provide that the Board of Directors, on behalf of the Fund, may compulsorily redeem the Shares held by any person, firm or corporate body, if in the opinion of the Fund such holding may be detrimental to the Fund, if it may result in a breach of any law or regulation whether Luxembourg or foreign, or if as a result thereof the Fund may become subject to laws other than those of the Grand Duchy of Luxembourg (including but without limitation tax laws); specifically but without limitation the Fund may compulsorily redeem Shares held by any U.S. Person.

The redemptions of the Shares and the acceptance of any application for redemption is to be made in accordance with the relevant Sub-Fund Particulars, and contingent upon the satisfaction of any conditions (including any minimum redemption/subscription and prior notice requirements) applicable to the Sub-Fund/Class from/into which the redemption is to be effected.

6.3. Conversion

The conversions of the Shares and the acceptance of any application for conversion is to be made in accordance with the relevant Sub-Fund Particulars, and contingent upon the satisfaction of any conditions (including any minimum redemption/subscription and prior notice requirements) applicable to the Sub-Fund/Class from/into which the conversion is to be effected.

7. Net Asset Value and Valuation of Assets

7.1. Calculation of the Net Asset Value

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The NAV of each Class of each Sub-Fund, determined as at the Valuation Day, and the conditions of valuation of the Assets of each Sub-Fund, are disclosed in the relevant Sub-Fund Particulars.

The NAV in respect of each Class of each Sub-Fund shall be expressed in the currency in which the Shares of such Class are denominated and shall be calculated as at any Valuation Day by dividing the net assets of each Class and/or Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such Class and/or Sub-Fund as at any such Valuation Day) by the total number of Shares in the relevant Class and/or Sub-Fund then outstanding. The NAV per Share may be rounded up or down to the nearest second decimal.

It is intended that the NAV shall be calculated as soon as possible once the information and data necessary to perform a reasonably correct assessment of the value of the underlying investments of the relevant Sub-Fund have been collected. The NAV calculated on this basis will be binding upon the Fund and its Shareholders. However, if, since the time of determination of the NAV as at the relevant Valuation Day, there has been a substantial change in the valuation of the investments attributable to the relevant Sub-Fund, the Board of Directors, with the consent of the AIFM may, in order to safeguard the interests of the Shareholders and of the Fund, cancel the first NAV and carry out a second valuation until any subscription, redemption or conversion has been processed on the basis of the NAV so determined. All subscription, redemption and conversion requests shall be treated on the basis of this second valuation.

The NAV is determined as at the applicable Valuation Day in accordance with the terms of each Sub-Fund Particulars, on the basis of the value of the underlying investments of the relevant Sub-Fund determined by the AIFM, which shall be responsible for the proper valuation of the Sub-Funds' assets and shall remain ultimately responsible for the calculation and the publication of the NAV.

The NAV and the issue, redemption and conversion prices for the Shares of each Class of each Sub-Fund may be obtained during business hours at the registered office of the Administrative Agent.

The NAV determined as at a Valuation Day will normally be available at the registered office of the Administrative Agent within 45 calendar days after that Valuation Day and in any case no later than the following Valuation Day.

Regarding the protection of investors in case of Net Asset Value calculation errors and the correction of the consequences resulting from non-compliance with the investment rules applicable to the relevant Sub-Fund, the Fund shall be subject to CSSF Circular 24/856, dated 28 March 2024, *“Protection of investors in case of an NAV calculation error, an instance of non-compliance with the investment rules and other errors at UCI level”* (the **“CSSF Circular 24/856”**). The tolerance thresholds as referred to in the CSSF Circular 24/856 applicable at the level of each Sub-Fund are disclosed in the relevant Sub-Fund Particulars.

7.2. Valuation of the Assets

The value of the underlying investments of the relevant Sub-Fund shall be performed by the AIFM, as the case may be with the support of independent appraisers, as follows:

- (a) Debt instruments not listed or dealt in on any stock exchange or any other regulated market that operates regularly, is recognized and open to the public will be valued at the nominal value plus accrued interest. Such value will be adjusted, if appropriate, to reflect e.g. major fluctuations in interest rates in the relevant markets or the appraisal of the AIFM on the creditworthiness of the relevant debt instrument. The AIFM will use its best endeavours to continually assess this method of valuation and recommend changes, where necessary, to ensure that debt instruments will be valued at their fair value as determined in good faith by the AIFM. If the AIFM believes that a deviation from this method of valuation may result in material dilution or other unfair results to Shareholders, the AIFM will take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.
- (b) Capital participations not listed or dealt in on any stock exchange or any other regulated market that operates regularly, is recognized and open to the public will be valued at their reasonably foreseeable sales price determined prudently and in good faith pursuant to procedures established by the AIFM.

- (c) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof.
- (d) The value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets.
- (e) The value of assets dealt in on any other regulated market is based on the last available price.
- (f) The value of units or shares in UCIs is based on their last-stated net asset value. Other valuation methods may be used to adjust the price of these units or shares if, in the opinion of the Fund, there have been changes in the value since the net asset value has been calculated or the valuation method used by the UCIs is not appropriate to reflect the fair value thereof.
- (g) For assets that are not listed nor dealt in on any stock exchange or any other regulated market and which are not mentioned above or in the event that, for any assets, the price as determined pursuant to sub-paragraph (d) or (e) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

The value of all assets and liabilities not expressed in the reference currency of a Sub-Fund will be converted into the reference currency of such Sub-Fund at the rate of exchange ruling in Luxembourg as at the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM.

The AIFM following consultation with the Board of Directors, may permit some other method of valuation to be used, if it considers that such method of valuation better reflects the true value of any asset of the Fund.

7.3. Suspension of the Calculation of the Net Asset Value and the issue, redemption and conversion of shares.

In each Sub-Fund, the calculation of the NAV and the issue, redemption and conversion of Shares may be temporarily suspended:

- (a) during any period when any one of the stock exchanges or other principal markets on which a substantial portion of the assets of the Fund attributable to such Sub-Fund(s), from time to time, is quoted or dealt in is closed (otherwise than for ordinary holidays) or during which dealings therein are restricted or suspended provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to such Sub-Fund(s) quoted thereon; or
- (b) during any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Board of Directors, or the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors, disposal or valuation of the assets held by the Fund attributable to such Sub-Fund(s) is not reasonably practicable without this being seriously detrimental to the interests of Shareholders, or if in the opinion of the Board of Directors the issue and, if applicable, redemption prices cannot fairly be calculated; or
- (c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Fund attributable to such Sub-Fund(s) or the current prices or values on any stock exchanges or other markets in respect of the assets attributable to such Sub-Fund; or
- (d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund(s) or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares of the Fund cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- (e) from the time of publication of a notice convening an extraordinary general meeting of Shareholders for the purpose of winding up the Fund or any Sub-Fund(s), or merging the Fund or any Sub-Fund(s), or informing the Shareholders of the decision of the Board of Directors to terminate or merge any Sub-Fund(s); or
- (f) when for any other reason, the prices of any investments owned by the Fund attributable to such Sub-Fund cannot be promptly or accurately ascertained; or

- (g) during any other circumstance where a failure to do so might result in the Fund, any of its Sub-Funds or its Shareholders incurring any liability, pecuniary disadvantages or any other detriment which the Fund, the Sub-Fund or its Shareholders might so otherwise not have suffered; or
- (h) during any period when in the opinion of the Board of Directors there exist circumstances outside of the control of the Fund where it would be impracticable or unfair towards the Shareholders to continue dealing in Shares of the concerned Sub-Fund(s).

Notice of the beginning and of the end of any period of suspension shall be given by the Fund to all the Shareholders affected, i.e. having made an application for subscription, redemption, transfer or conversion of Shares for which the calculation of the NAV has been suspended.

Any application for subscription, redemption or conversion of Shares is irrevocable except in case of suspension of the calculation of the NAV in the relevant Sub-Fund, in which case Shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with as at the first applicable Valuation Day following the end of the period of suspension.

8. Management and Administration of the Fund

8.1. Board of Directors

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Fund, subject to the powers assigned by the law and the Articles to the general meeting of Shareholders.

The Board of Directors has been given power to administer and manage the Fund and to decide on its objectives and on the investment policy to be pursued by each Sub-Fund.

The Fund may indemnify any Director against expenses reasonably incurred by him/her/it in connection with any action, suit or proceeding to which he/she/it may be made a party by reason of him/her/it being or having been a director of the Fund, except in relation to matters as to which he/she/it shall be finally adjudged in such action, suit or proceeding to be liable of gross negligence or misconduct. The foregoing right of indemnification shall not exclude other rights to which he/she/it may be entitled.

8.2. Alternative Investment Fund Manager

The Board of Directors has appointed Waystone Management Company (Lux) S.A. as alternative investment fund manager of the Fund within the meaning of the AIFM Directive (the "**AIFM**").

Waystone Management Company (Lux) S.A. was incorporated under Luxembourg laws on 28 June 2013, under the form as a public liability company (*société anonyme*) and has its registered office at 1, Avenue de l'Aéroport, L – 1110 Senningerberg, Grand Duchy of Luxembourg. Waystone Management Company (Lux) S.A. is registered with the RCS under number B96744.

Waystone Management Company (Lux) S.A. has been authorised as an alternative investment fund management in accordance with the AIFM Directive by the CSSF.

Description of duties

The AIFM has been entrusted with the duties pertaining to the investment management functions of the Fund, namely (a) the portfolio management function and (b) the risk management function.

In the framework of its portfolio management function, the AIFM implements the objectives, policies, strategies and investment restrictions of the Fund and each Sub-Fund as established by the Board of Directors. It takes decisions and manages the Sub-Funds' assets as further described under the relevant Sub-Fund Particulars.

In the framework of its risk management function, the AIFM has implemented appropriate risk management systems in order to detect, measure, manage and follow, in an adequate manner, all the risks relating to the investment strategy of each Sub-Fund. As such, the AIFM shall determine the risk profile of each Sub-Fund and ensure that it is relevant in light of the size, portfolio structure, strategies and investment objectives of the relevant Sub-Fund.

The AIFM is responsible for the valuation of the Sub-Funds' assets. For this purpose, the AIFM has adopted valuation policies and procedures to ensure that any valuation of each asset is performed impartially and with all due skill, care and diligence. In accordance with the AIFM Rules, the AIFM will ensure that the valuation task is functionally independent from the portfolio management, and the remuneration policy and other measures ensure that conflicts of interest are mitigated.

Furthermore, the AIFM is also in charge of certain marketing services and other activities related to the assets of the Fund.

The AIFM may carry out any activities connected directly or indirectly to, and/or deemed useful and/or necessary for, the accomplishment of the relevant Sub-Fund objectives, remaining, however, within the limitations set forth in this Prospectus

(including the Sub-Fund Particulars) and the provisions of applicable governing laws and regulations.

The AIFM shall ensure that the decision-making procedures and its own organisational structure ensure the fair treatment of Shareholders. In addition, the AIFM shall ensure on an on-going basis that Shareholders are treated fairly and equitably.

The AIFM has adopted appropriate policies in order to identify, manage, monitor and disclose conflicts and potential conflicts of interest entailing a material risk of damage to the Fund's or the Shareholders' interests.

All the above duties are more fully described in the AIFM agreement, a copy of which is available at the registered office of the AIFM.

Professional liability

In accordance with the requirements of Article 9.7 of the AIFM Directive, the AIFM is holding additional own funds which are appropriate to cover potential liability risks arising from professional negligence in its capacity as AIFM. More information regarding this cover may be obtained at the AIFM's registered office.

Delegation

The AIFM has been permitted by the Fund to appoint, at its own expenses, unless otherwise specified in the Sub-Fund Particulars, delegates in relation to its functions in accordance with the AIFM Rules. The name and information with respect to such delegate, if any, will be disclosed if applicable in the Sub-Fund Particulars and information about conflicts of interests that may arise from these delegations will be made available, as applicable, at the registered office of the AIFM.

The AIFM will monitor on a continued basis the activities of the third parties to which it would delegate functions.

All delegations shall be carried out in accordance with the AIFM Rules.

8.3. Fund Internal Organisation

The Board of Directors may entrust to one of its members or to a committee composed of several persons who are not necessarily members of the Board of Directors or to another company, including, as the case may be, a subsidiary of the Fund day-to-day functions, notably with respect to the administration of the Fund's investment portfolio, risk processes, reporting to Shareholders, relations with third parties such as supervisory authorities and external consultants, the organisation of internal administrative procedures and any other regular day-to-day tasks as delegated by the Board of Directors and in support of the portfolio and risk management of the AIFM (such functions, the “**Administration Functions**” and the relevant director, committee or another company entrusted with them, the “**Administration Functions Provider**”).

The Board of Directors may further establish an investment committee for each Sub-Fund as set out in the relevant Sub-Fund Particulars.

8.4. Depositary

8.4.1. General Information

Banque et Caisse d'Epargne de l'Etat, Luxembourg (in such capacity, the **"Depositary"**) has been appointed as depositary of the Fund. The Depositary has undertaken to provide depositary and custody services in respect of the Fund's assets as further detailed in the depositary agreement (the **"Depositary Agreement"**) in accordance with the 2010 Law and the AIFM Law.

Banque et Caisse d'Epargne de l'Etat Luxembourg, an autonomous public institution under Luxembourg law, with registered office at 1, Place de Metz, L-2954 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Trade and Companies (*Registre de Commerce et des Sociétés*) under number B 30775, is authorised to carry out banking activities under the 1993 Law on the financial services¹ sector and specializes in custody, fund administration and related services.

The Depositary shall not have any investment decision-making role in relation to the Fund.

8.4.2. Duties of the Depositary

The Depositary carries out its functions and responsibilities in accordance with the AIFM Law/2010 Law and the Depositary Agreement, which contains specific provisions regarding the duties and liabilities of the Depositary.

8.4.2.1. Oversight Duties

In order to assure its oversight duties, the Depositary will:

- ensure the issue, redemption and conversion of Shares of a Sub-Fund are carried out in accordance with applicable Luxembourg laws, the Articles and this Prospectus;
- ensure the value of the Shares of a Sub-Fund is calculated in accordance with applicable Luxembourg laws, the Articles, this Prospectus and the valuation procedures as determined by the AIFM and as documented in the AIFM's valuation policy;
- carry out the instructions of the Fund and the AIFM, unless they conflict with applicable Luxembourg laws, the AIFM Law, the Articles, the Prospectus and/or the Depositary Agreement;
- with respect to transactions involving a Sub-Fund's assets, ensure that any consideration is remitted to the Sub-Fund within the usual time limits; and
- ensure that a Sub-Fund's income is applied in accordance with applicable Luxembourg laws, the Articles and the Prospectus.

¹ As amended.

8.4.2.2.Safe-keeping, Record-keeping and Ownership Verification

In order to assure its safe-keeping, record-keeping and ownership verification duties, the Depositary will:

- safe-keep the assets of a Sub-Fund that can be held in custody (including book entry securities);
- record-keep the assets that cannot be held in custody, in which case the Depositary must verify their ownership.

8.4.2.3.Cash-flow Monitoring

In order to assure cash-flow monitoring duties, the Depositary will:

- ensure that the Sub-Fund's cash-flows are properly monitored and, in particular, ensure that all payments made by or on behalf of Investors upon the subscription of Shares in a Sub-Fund have been received and that all cash of the Sub-Fund has been booked in cash accounts which the Depositary can monitor and reconcile.

8.4.3.Delegation

The Depositary may delegate certain functions to specialised service providers, at all times in accordance with the 2010 Law and the AIFM Law. Details of such delegates are available at the registered office of the Depositary and via the following link: www.spuerkeess.lu/s/sub_custodians.

8.4.4.Conflicts of interest

From time to time conflicts may arise between the Depositary and the delegates or sub-delegates. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Fund, the AIFM and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund, the AIFM and/or other funds for which the Depositary (or any of its affiliates) act. At the day of this Prospectus, the Depositary didn't identify any conflict of interest resulting from the delegation of safe-keeping functions. Up-to-date information on (the missions of) the Depositary, delegations and sub-delegations and related conflicts of interest may be requested from the Depositary by shareholders.

8.4.5.Liability

In relation to the Depositary's duties regarding financial instruments which can be held in custody, the Depositary is liable to the Fund and/or the Shareholders for any loss of such financial instruments held by the Depositary or any delegate.

In relation to all the other Depositary's duties, the Depositary is liable to the Fund and/or the Shareholders for all other losses suffered by it or them as a result of the Depositary's negligence (faute) (whether through an act or omission), gross negligence (faute lourde) or wilful misconduct (dol).

The Depositary may in certain circumstances and in accordance with the AIFM Law discharge itself of liability.

8.4.6.Termination

The Depositary Agreement may be terminated at any time, by the Depositary, the Fund or the AIFM by means of three (3) months' prior written notice. In certain circumstances, the Depositary Agreement may be terminated with immediate effect in accordance with the provisions of the Depositary Agreement. The Depositary will be obliged to take all measures needed to preserve the interests of investors until its replacement, which must take place, in accordance with the Depositary Agreement, within two (2) months of such termination.

8.5. Administrative Agent

By an agreement dated 14 December 2023 and effective as of 15 December 2023 (the "**Administrative Agreement**"), the AIFM, with the consent of the Fund, has appointed UI efa S.A. as administrative, registrar and transfer agent of the Fund.

As such, the Administrative Agent is responsible for (i) the registrar function which includes processing of the issue (registration), redemption, transfer and conversion of the Shares and settlement arrangements thereof, keeping the register of the Fund's Shareholders, (ii) calculating the Net Asset Value per Share and the accounting services, maintaining the records and (iii) other general administrative functions, including the client communication function.

The Administrative Agreement is entered into for an unlimited term and may be terminated by either party subject to a written notice of three months.

8.6. Distributors

The Board of Directors may designate one or several distributors to distribute or arrange for the distribution of Shares of the Sub-Funds, as disclosed in the relevant Sub-Fund Particulars.

Distributors shall abide by and enforce all the terms of this Prospectus including, where applicable, the terms of any mandatory provisions of Luxembourg laws and regulations relating to the distribution of the Shares. Distributors shall also abide by the terms of

any laws and regulations applicable to them in the country where their activity takes place, including, in particular, any relevant requirements to identify and know their clients.

Any distributor(s) appointed to market and place the Shares of the Fund have the power to offer directly, or through any of their subsidiaries or group companies, financial intermediary services for applicants purchasing Shares through them to the extent such distributor(s) are located in a FATF (Financial Action Task Force) Country and submitted to anti-money laundering regulations.

Applicants may elect, but are not obliged, to make use of such financial intermediary service pursuant to which the financial intermediary will hold Shares in its name for and on behalf of the applicants who shall be entitled at any time to claim direct title to the Shares and who, in order to empower the financial intermediary to vote at any general meeting of Shareholders, shall provide the financial intermediary with specific or general voting instructions to that effect. Applicants retain the ability to directly invest in the Fund without using a financial intermediary service.

8.7. Auditor

Deloitte Audit has been appointed as Approved Statutory Auditor of the Fund and will audit the Fund's annual financial statements.

8.8. Conflicts of Interest

The Directors, the AIFM, the Administrative Agent and the Depositary and the investment advisors may from time to time act as promoter, manager, investment manager, investment adviser(s), registrar, transfer agent, administrator, trustee, depositary, director or placing agent to, or be otherwise involved in, other UCIs which have similar investment objectives to those of the Fund or may otherwise provide discretionary fund management or ancillary administration or depositary services to investors with similar investment objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of their business, have potential conflicts of interests with the Fund. Each will at all times have regard in such event to its obligations to the Fund and they will endeavour to resolve such conflicts fairly.

In the event that any Director has a direct or indirect financial interest conflicting with that of the Fund in a transaction which has to be considered by the Board of Directors, that director shall be obliged to advise the Board of Directors and cause a record of his/her/its statement to be included in the minutes of the meeting. This Director may not deliberate or vote upon any such transaction.

At the next following general meeting, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the Directors may have had an interest conflicting with that of the Fund.

AIFMD considerations

The AIFM will take all reasonable steps to identify conflicts of interest that may arise in the course of managing the Fund. These may arise between the AIFM (including its managers, employees or any person directly or indirectly linked to the AIFM by control) and the Fund or its Shareholders, the Fund or its Shareholders and another client of the AIFM (including another alternative investment fund with similar investment strategy or their investors), and two clients of the AIFM.

The AIFM will maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and its Shareholders.

The AIFM will segregate, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest. The AIFM will assess whether its operating conditions may involve any other material conflicts of interest and disclose them to the Shareholders.

Where organisational arrangements made by the AIFM to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to investors' interests will be prevented, the AIFM will clearly disclose the general nature or sources of conflicts of interest to the Shareholders before undertaking business on their behalf, and develop appropriate policies and procedures.

Investors are informed that, by the sole fact of soliciting an investment or, a fortiori, investing in the Fund, they acknowledge and consent that the information to be disclosed as per the above is provided at the registered office of the Fund and that this information will not be addressed personally to them.

9. Fees and Expenses

9.1. AIFM Fees

The AIFM is entitled to receive from the Fund out of the assets of each Sub-Fund fees in respect of the management services provided to each Sub-Fund payable and calculated, as specified in each relevant Sub-Fund Particulars.

9.2. Administration Functions Fees

In consideration of the services rendered to the Fund, the Administration Functions Provider is entitled to receive a fee as disclosed for each Sub-Fund in the relevant Sub-Fund Particulars.

9.3. Depositary and Administrative Fees

The Depositary and Administrative Agents are entitled to receive out of the assets of the relevant Sub-Fund fees calculated in accordance with normal banking practice in

Luxembourg and payable periodically at a rate based on the average gross asset value of that Sub-Fund over the relevant period, subject, as applicable, to an annual minimum fee.

In addition, the Depositary and Administrative Agents are entitled to be reimbursed by the relevant Sub-Fund for their reasonable out-of-pocket expenses properly incurred in carrying out their duties as such and for the charges of any correspondents.

All the above charges are subject to review from time to time.

9.4. Distribution Fee

The distributors may be entitled to receive, out of the assets of the relevant Sub-Fund, fees in consideration for the services provided to that Sub-Fund, as specified in the relevant Sub-Fund Particulars (as the case may be).

9.5. Other Fees and Expenses

The Fund on behalf of the relevant Sub-Funds also pays (a) the charges and expenses of advisers and Approved Statutory Auditor, (b) any issue or transfer taxes chargeable in connection with any securities transactions, (c) all taxes and corporate fees payable to governments or agencies, (d) allowances and reimbursable expenses, payable to the Directors, (e) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (f) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, as the case may be, (g) marketing and promotional expenses and (h) all other organisational and operating expenses, including in connection with evaluating, acquiring holding, managing and/or disposing of investments, including among others due diligence expenses and other transaction charges.

9.6. Formation and launching expenses of additional Sub-Funds

The costs and expenses incurred in connection with the creation of a new Sub-Fund shall be written off over a period not exceeding five years against the assets of such Sub-Fund only and in such amounts each year as determined by the Board of Directors on an equitable basis.

10. Dividend policy

The primary investment objective of the Fund is to achieve long-term growth. The Fund's operating plan in general does not contemplate payment of dividends to Shareholders.

11. Taxation in Luxembourg

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of Shares and is not intended as tax advice to any particular investor or potential Investor. Prospective Investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Luxembourg.

11.1. The Fund

The Fund is not subject to taxation in Luxembourg on its income, profits or gains. The Fund is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Fund.

As a matter of principle, the Fund is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) at a rate of 0.05% per annum on its net asset value, such tax being payable quarterly and calculated on the basis of the total net assets of the Fund at the end of the relevant quarter.

Subject to certain conditions, a reduced subscription tax rate of 0.01% per annum is applicable to:

- the Fund or its Sub-Funds that are authorised as money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds ("**Regulation 2017/1131**");
- the Sub-Funds or Classes of Share where the Shares of those Sub-Funds or Classes are only held by one or more institutional Investors within the meaning of the 2010 Law.

As from 1 January 2021, the Fund or its Sub-Funds, may benefit from reduced subscription tax rates depending on the value of its net assets invested in sustainable economic activities within the meaning of Article 3 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 and disclosed in accordance with that regulation (the "**Qualifying Activities**") except for the proportion of net assets of the Fund or of a Sub-Fund invested in economic activities as referred to in sections 4.26, 4.27, 4.28, 4.29, 4.30, 4.31 of the Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 of

4 June 2021 supplementing Regulation (EU) 2020/852. The reduced subscription tax rates would be of:

- 0.04% if at least 5% of the total net assets of the Fund, or of its Sub-Fund, are invested in Qualifying Activities;
- 0.03% if at least 20% of the total net assets of the Fund, or of its Sub-Fund, are invested in Qualifying Activities;
- 0.02% if at least 35% of the total net assets of the Fund, or of its Sub-Fund, are invested in Qualifying Activities; and
- 0.01% if at least 50% of the total net assets of the Fund, or of its Sub-Fund, are invested in Qualifying Activities.

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

A subscription tax exemption applies to:

- the portion of the Fund's assets (*pro rata*) invested in a Luxembourg UCI subject itself to the subscription tax;
- the Fund and its Sub-Funds where (i) the securities are reserved for institutional Investor(s), and (ii) if they are authorised as short-term money market funds in accordance with Regulation 2017/1131, and (iii) the securities have obtained the highest possible rating from a recognised rating agency. If several Classes of Shares are in issue in the Fund or the Sub-Fund meeting (ii) to (iii) above, only those Classes of Shares meeting (i) above will benefit from this exemption;
- the Fund as well as its Sub-Funds if their main objective is the investment in microfinance institutions;
- the Funds as well as its Sub-Funds if (i) the securities issued by the Funds or its Sub-Funds are listed or traded on at least one stock exchange or another regulated market operating regularly, recognized and open to the public and (ii) their exclusive object is to replicate the performance of one or more indices. If several Classes of Shares are in issue in the Fund or the Sub-Fund meeting (ii) above, only those Classes of Shares meeting (i) above will benefit from this exemption;
- the Fund as well as its Sub-Funds that are authorised as European long-term investment funds within the meaning of Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds; and
- the Fund as well as its Sub-Funds if the securities issued by the Fund are reserved for (i) institutions for occupational retirement pension and similar investment vehicles, set-up on the initiative of one or more employers for the benefit of their employees and (ii) companies of one or more employers investing funds they hold to provide retirement benefits to their employees and

(iii) savers in the context of a pan-European personal pension product established under Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European personal pension product (PEPP). If several Classes of Shares are in issue in the Fund or the Sub-Fund, only those Classes of Shares whose securities are reserved for investors referred to in (i), (ii) and (iii) above will benefit from this exemption.

The application of the abovementioned reduction and/or exemption of subscription tax is subject to certain conditions (reporting and audit) provided for in the 2010 Law.

The tax status of each Sub-Fund is disclosed in the relevant Sub-Fund Particulars.

11.2. Withholding tax

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

Distributions made by the Fund as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

11.3. Taxation of the Shareholders

11.3.1. Luxembourg-resident individuals

Capital gains realised on the sale of the Shares by Luxembourg-resident individual Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if said capital gains qualify either as speculative gains or as gains on a substantial participation:

- Speculative gains (i.e., when the Shares are sold before or within 6 months from their subscription or purchase) are subject to income tax at progressive ordinary rates; or
- Capital gains realised on a substantial participation are taxed at half the average combined tax rate. A shareholding is considered as substantial participation when the seller holds or has held, alone or with his/her spouse or partner and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, of more than 10% of the share capital of the Fund. A Shareholder is also deemed to alienate a substantial participation if she/he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period).

Distributions received from the Fund will be subject to Luxembourg personal income tax.

Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*).

11.3.2. Luxembourg-resident corporate

Luxembourg-resident fully taxable corporate Investors will be subject to corporate income tax, municipal business tax and an employment fund surcharge at ordinary rates ("**Corporation Taxes**") on capital gains realized upon disposal of Shares and on the distributions received from the Fund.

Luxembourg-resident corporate Investors who benefit from a special tax regime, such as, for example, (i) UCIs subject to the 2010 Law, as amended, (ii) specialised investment funds subject to the law of 13 February 2007 on specialised investment funds ("**SIF**"), as amended, (iii) reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds ("**RAIF**") (not opting for the treatment as a venture capital vehicle for Luxembourg tax purposes) or (iv) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies, as amended, ("**SPF**") are exempt from Corporation Taxes in Luxembourg, but are however subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg-resident corporate Investors subject to Corporation Taxes on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

The Shares shall be part of the taxable net wealth of the Luxembourg-resident corporate Investors except if the holder of the Shares is (i) a UCI subject to the 2010 Law, as amended, (ii) a vehicle governed by the law of 22 March 2004 on securitization, as amended, (iii) an investment company in risk capital subject to the law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a SIF, (v) a RAIF, (vi) a SPF, or (vii) professional pension institutions governed by the law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital and pension savings associations. A minimum net wealth tax may however be due under certain circumstances by certain resident corporate investors.

11.3.3. Non Luxembourg residents

Non-resident individuals or corporate Shareholders who do not have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Shares are attributable, are not subject to Luxembourg income taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Fund and the Shares will not be subject to net wealth tax.

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

11.4. Automatic Exchange of Information ("**AEOI**")

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information ("**AEOI**") on a global basis. On 29 October 2014, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States.

The CRS and Euro-CRS Directive were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify their financial account holders (including certain entities and their controlling persons) and establish if they are fiscally resident (i) in an EU Member State other than Luxembourg or (ii) in a jurisdiction with which Luxembourg has a tax information sharing agreement in place (including the Multilateral Agreement) and which is identified in the list of reportable jurisdictions published by the Grand Ducal Decree ("**CRS Reportable Accounts**"). The first official list of CRS reportable jurisdictions was published on 24 March 2017 and is updated from time to time. Luxembourg financial institutions will then report the financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

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

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

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

Investors should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the CRS.

11.5. FATCA

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("**foreign financial institutions**" or "**FFIs**") to pass information about "**Financial Accounts**" held by "**Specified US Persons**", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis.

A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof.

The Fund would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the law of 24 July 2015 relating to FATCA (the "**FATCA Law**"), in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA.

Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect Shareholders that are Specified US Persons for FATCA purposes ("**FATCA reportable accounts**"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will automatically exchange that information on a yearly basis with the IRS.

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

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Fund may:

- i. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that Shareholder's FATCA status;
- ii. report information concerning a Shareholder and his/her/its account holding in the Fund to the Luxembourg tax authorities if such account is deemed a

- FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- iii. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning accounts held by recalcitrant account holders;
- iv. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- v. divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

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

The Fund reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the FATCA Law.

Investors should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the FATCA.

12. General information

12.1. Reports, documentation and other information made available to Shareholders

a) Reports

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

Audited financial statements of the Fund made up to 31 March in each year will be prepared in Euro and are made available at the Fund's registered office to Shareholders within four months after 31 March of each year. Copies of the latest annual report will be sent to Shareholders free of charge on request.

In addition, unaudited semi-annual reports are also made available at the registered office of the Fund within two months after 30 September of each year.

The financial information of the Fund will be prepared in accordance with Luxembourg generally accepted accounting principles ("**Luxembourg GAAP**").

b) Documentation

A copy of the Articles, the KID and the latest financial reports may be obtained without cost on request from the Fund. Copies of the material agreements mentioned in this Prospectus may be inspected during usual business hours on any Business Day at the registered office of the Fund.

c) Other information made available to the Shareholders

The AIFM shall also make available to the Shareholders and to prospective investors, any information as prescribed by the AIFMD, in particular information required by article 23 of AIFMD, which is not disclosed in this Prospectus. All information that is required to be made available to investors pursuant to AIFMD shall be made available in, via or at any of the Information Means listed in the Articles.

12.2.Meetings of Shareholders

The annual general meeting of Shareholders of the Fund will be held at the registered office of the Fund, or at such other place in the municipality of the registered office, in the Grand Duchy of Luxembourg at any time but no later than within 6 months from the end of the previous financial year, as determined by the Board of Directors.

Notices of all general meetings, setting forth the agenda and specifying the time and place of the meeting and the conditions of admission thereto and referring to quorum and majority requirements, will be sent to Shareholders, at least 8 days prior to the meeting, in the conditions set forth in the Articles.

Under the conditions set forth in Luxembourg laws and regulations, any such notice may provide that the quorum and the majority at the related general meeting shall be determined according to the Shares issued and outstanding at a certain date and time before such general meeting (the "**Record Date**"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his/her/its Shares shall be determined by reference to the Shares held by this shareholder as at the Record Date.

The Articles make provision for meetings of Shareholders. Every Shareholder present in person or by proxy has the same number of votes as the number of Shares in the property of the Fund represented by the Shares of which he/she/it is the Shareholder. Voting in respect of fractions of Shares is not permitted.

12.3.Amendments to the Articles

Proceedings of any extraordinary general meeting called upon to resolve on amendments to the Articles shall not be valid unless at least one half of the capital is represented and the agenda indicates the proposed amendments to the Articles and, where applicable, the text of those which concern the objects or the form of the Fund. If the first of these conditions is not satisfied, a second meeting may be convened, in accordance with applicable law. The convening notice shall reproduce the agenda, indicating the date and results of the previous meeting. The proceedings of the second meeting shall be valid regardless of the proportion of the capital represented. At both

meetings, resolutions shall be validly passed if they are passed by two-thirds of the votes cast.

12.4. Amendments to the Prospectus

Should any amendments of the Prospectus entail an amendment of the Articles or require the decision to be made by the general meeting of Shareholders of the Fund or of one or several Sub-Funds, such decision shall be passed by a resolution of a general meeting of Shareholders in accordance with the form, quorum and majority requirements set forth in the Articles and in compliance with Luxembourg laws and regulations.

The Board of Directors is also authorised to amend any other provision of the Prospectus, including any Sub-Fund Particulars, provided such changes are not material to the structure and/or operations of the Fund or its Sub-Funds and are beneficial or at least not detrimental to the interests of the Shareholders of the Fund or any Sub-Fund, as the case may be, as determined by the Board of Directors at its sole but reasonable discretion and subject to the prior approval of the CSSF. In such case, the Prospectus will be amended and the Shareholders will be informed thereof, for their information purposes only. For the avoidance of doubt, Shareholders will not be offered the right to request the cost-free redemption of their Shares prior to such changes becoming effective. As a matter of example, this Prospectus may notably be amended by the Fund without the consent of the Shareholders if such amendment is intended:

- (a) To acknowledge any change made to the Articles in compliance with the first paragraph above;
- (b) to change the name of any Sub-Fund;
- (c) to acknowledge any change of the AIFM, Depositary, Administrative Agent, Registrar and Transfer Agent, Paying Agent and/or the Approved Statutory Auditor;
- (d) to implement any amendment of the law and/or regulations applicable to the Fund, the AIFM, and their respective affiliates;
- (e) as the Board of Directors determines in good faith to be advisable in connection with legal, tax, regulatory, accounting or other similar issues affecting one or more of the Shareholders, so long as such amendment does not materially and adversely affect the Shareholders, as determined by the Board of Directors in its sole discretion;
- (f) to cure any ambiguity, to correct any printing, typing or secretarial error and any omissions, provided that such amendment not adversely and significantly affect the interests of the Shareholders or update any factual information;
- (g) to make any other change which is for the benefit of, or not materially adverse to the interests of the Shareholders of the Fund or relevant Sub-Fund(s) as applicable; and

- (h) to reflect the creation of additional Classes or Sub-Funds or liquidation of existing Sub-Fund(s) within the Fund.

The Board of Directors is authorised to make other amendments to the provisions of the Prospectus (such as the change of the fee structure of the Fund or the Sub-Fund), subject to the approval of the CSSF, provided that such changes shall only become effective and the Prospectus amended accordingly to the extent the procedures set forth below have been complied with (unless otherwise provided for in the Sub-Funds Particulars):

- (i) in an open-ended Sub-Fund, provided that there is sufficient liquidity, all relevant Shareholders have been offered a cost-free redemption of their Shares within a one (1) month period from the sending of such notice to such Shareholders. Such changes shall become effective only after the expiry of this one-month period; or
- (ii) in a closed-ended Sub-Fund, amendments to the Prospectus other than those described above may be made with the prior written approval of the Shareholders holding two-thirds of the Shares issued in the Sub-Fund; (i) provided, however, that any amendment to the Prospectus which relates to a Class shall only require the prior written approval of the Shareholders holding two-thirds of the Shares issued with respect to the relevant Class; (ii) provided further that any Shareholder who would have abstained from indicating in writing prior to the date indicated in the notice sent in this respect to the Shareholders by the Board of Directors, whether it agrees or disagrees with the contemplated amendments, would be deemed to have consented to such amendments, and (iii) provided finally that no changes that would materially impact the Noteholders may be made without the prior approval of two-thirds of the Noteholders. In addition and without prejudice to the first paragraph of this section, amendments to the Prospectus may also be made by decision of the general meeting of the Sub-Fund or the relevant Class, upon recommendation of the Board of Directors. In such case, quorum and majority requirements set forth under Clause 12.3 "Amendments to the Articles" of Section I of this Prospectus for amending the Articles, shall be applied mutatis mutandis at the level of the Sub-Fund or the relevant Class, for amending the Prospectus, provided that no changes that would materially impact the Noteholders may be made without the prior approval of two-thirds of the Noteholders.

12.5.Liquidation of the Fund

The Fund may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital of EUR 1,250,000.-, the question of the dissolution of the Fund shall be referred to a general meeting of Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide the dissolution by simple majority of the Shares represented at the meeting.

The question of the dissolution of the Fund shall also be referred to a general meeting of Shareholders whenever the share capital falls below one-fourth of the minimum capital of EUR 1,250,000.-; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one-fourth of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days as from ascertainment that the share capital has fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities and do not need to be Shareholders; the general meeting of Shareholders shall appoint them and determine their powers and their compensation.

The net proceeds of liquidation corresponding to each Class in each Sub-Fund shall be distributed by the liquidators to the holders of Shares of the relevant Class in the relevant Sub-Fund in proportion to their holding of such Shares in such Class.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the 2010 Law, which specifies the steps to be taken to enable Shareholders to participate in the distribution(s) of the liquidation proceeds and provide for a deposit in escrow at the *Caisse de Consignation* at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

12.6. Liquidation or Amalgamation of Sub-Funds

If the net assets of any Sub-Fund or Class fall below or do not reach an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or such Class to be operated in an economically efficient manner or if a change in the economic, monetary or political situation relating to the relevant Sub-Fund or Class would have material adverse consequences on the investments of that Sub-Fund or Class or otherwise justifies it or in order to proceed to an economic rationalization, the Board of Directors has the discretionary power to liquidate such Sub-Fund or Class by compulsory redemption of Shares of such Sub-Fund or Class at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) calculated as at the Valuation Day at which such a decision shall take effect. The decision to liquidate will be published by the Fund prior to the effective date of the liquidation and the publication will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors decides otherwise in the interests of, or in order to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or

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conversion of their Shares free of redemption or conversion charge (but taking into account actual realisation prices of investments and realisation expenses).

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund or Class may, upon proposal from the Board of Directors, redeem all the Shares of such Sub-Fund or Class and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such a general meeting of Shareholders at which resolutions shall be adopted by simple majority of the votes cast.

Assets which could not be distributed to their beneficiaries upon the conclusion of the liquidation of a Sub-Fund or Class will be deposited with the *Caisse de Consignation* on behalf of such beneficiaries.

Upon the circumstances provided for under the first paragraph of this Section, the Board of Directors may decide to allocate the assets of any Sub-Fund or Class to those of another existing Sub-Fund or Class within the Fund or to another UCI, or to another Sub-Fund or Class within such other UCI (the "**New Sub-Fund/Class**") and to re-designate the Shares of the Sub-Fund concerned as Shares of the New Sub-Fund/Class (following a split or consolidation, if necessary and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be notified to the Shareholders concerned (and, in addition, the notification will contain information in relation to the New Sub-Fund/Class), one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period. After such period, the decision commits the entirety of Shareholders who have not used this possibility, provided however that, if the amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*") or a foreign based undertaking for collective investment, such decision shall be binding only on the Shareholders who are in favour of such amalgamation.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, a contribution of the assets and liabilities attributable to any Sub-Fund or Class to another Sub-Fund or Class of the Fund or of another UCI may be decided upon by a general meeting of the Shareholders of the contributing Sub-Fund or Class for which there shall be no quorum requirements and which shall decide upon such an amalgamation by resolution adopted by simple majority of the votes cast, except when such amalgamation is to be implemented with a Luxembourg UCI of the contractual type ("*fonds commun de placement*") or a foreign based UCI, in which case resolutions shall be binding only on the Shareholders of the contributing Sub-Fund or Class who have voted in favour of such amalgamation.

12.7. Historic Performance

The historic performance of each Sub-Fund will be published each year in the annual report of the Fund.

12.8.Risk Management System

The AIFM has established and maintains a dedicated risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to the Fund and each of its Sub-Funds. The AIFM will apply in that context a comprehensive process based on qualitative and quantitative risk measures to assess the risks of each of the Sub-Funds.

12.9.Prime broker

The Fund does not intend to designate a prime broker.

12.10.Right against service providers

Investors' rights against the Fund are provided for in the subscription agreement and under the applicable laws of the Grand Duchy of Luxembourg. Investors may have direct rights against the Depositary in certain circumstances for breach of its duty founded on the AIFM Directive and its implementing measures. Otherwise, investors do not have any direct rights against the Depositary or any sub-custodian as such persons' contractual relationship is with the Fund.

Investors may also have direct rights against the Fund in certain circumstances for breach of its duty founded on the AIFM Directive and its implementing measures.

Subject to the above, investors do not have any direct rights against the AIFM, the Depositary, the Administrative Agent as such persons' contractual relationship is with the Fund.

12.11.Applicable law, recognition and enforcement of judgement

By subscribing for Shares, the relevant investor agrees to be bound by the terms and conditions of, as applicable, the subscription agreements or, the Prospectus and the Articles. This contractual relationship is governed by Luxembourg laws. The Shareholders will be subject to the exclusive jurisdiction of the courts of Luxembourg to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Fund or any related matter.

A valid judgment obtained from a foreign court of competent jurisdiction will be enforceable in Luxembourg in accordance with and subject to applicable enforcement proceedings as provided for in the Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended (the "**Brussels Regulation**") or the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters (the "**Lugano Convention**"), as applicable and when relevant. According to Luxembourg case law, a judgment rendered by a foreign court of competent jurisdiction outside the scope of the Brussels Regulation or the Lugano Convention, as applicable, would be

recognized and enforced by a Luxembourg court, without reconsideration of the merits, subject to the following conditions: (i) the judgment of the foreign court must be enforceable (*exécutoire*) in the country in which it was rendered; (ii) the foreign court must have had jurisdiction according to the Luxembourg conflict of jurisdiction rules; (iii) the foreign court must have applied to the matter submitted to it the proper law designated by the Luxembourg conflict of laws rules (although some first instance decisions rendered in Luxembourg – which have not been confirmed by the Court of Appeal – no longer apply this condition); (iv) the judgment of the foreign court must not have been obtained by fraud, but in compliance with procedural rules of the country in which it was rendered and in particular with the rights of the defendant; and (v) (the judgment of the foreign court must not be contrary to Luxembourg international public policy).

13. Data Protection

The capitalised terms and other expressions used in this section headed Data Protection will have the meanings given to them in the Privacy Notice and in the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (the "**General Data Protection Regulation**").

The Fund (the "**Controller**") processes information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing Investors, their beneficial owners and other natural persons related to prospective or existing Investors) who are hereby referred to as the "Data Subjects". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

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

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to M Kaspar Wansleben (kaspar@iford.lu / +352 274735 / Investing for Development SICAV, 39, Rue Glesener, L-1631 Luxembourg).

Obtaining and accessing the Privacy Notice

The Privacy Notice is available and can be accessed or obtained online at www.lmdf.lu/en/privacy or www.fccf.lu/en/privacy or by contacting the Controller at the before mentioned address. The Privacy Notice is available in both paper and e-format. The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling (if any);
- that Data will be disclosed to several categories of recipients; that certain of these recipients (the "**Processors**") are processing the Data on behalf of the Controllers; that the Processors include most of the service providers of the Controllers; and that the Processors will act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controllers and the Processors for several purposes (the "**Purposes**") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Fund, (ii) enabling the Controllers and the Processors to perform their services for the Fund, and (iii) enabling the Controllers and the Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controllers and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Fund;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

SECTION II: SUB-FUND PARTICULARS

- List of available Sub-Fund(s):
 - LUXEMBOURG MICROFINANCE AND DEVELOPMENT FUND
 - FORESTRY AND CLIMATE CHANGE FUND
 - FEMALE ENTREPRENEURSHIP FUND

Unless otherwise indicated in the descriptions below, each Sub-Fund is subject to the general provisions as set out in Section I of this Prospectus.

Luxembourg Microfinance and Development Fund

Information contained in these Sub-Fund Particulars should be read in conjunction with the full text of the Prospectus dated June 2026.

Before making an investment in a relevant Class of Shares of the Sub-Fund (as defined below), investors should consider carefully the information contained in the Prospectus and, as applicable for such Class of Shares, the Key Information Document (a "**KID**"). The KID is drawn up in accordance with rules provided in the PRIIPs Regulation and provided to each investor subscribing to Class B Shares and Class C Shares (as described hereinafter) in order to help investors understand the nature and the risks of investing in the Sub-Fund. For the avoidance of doubt, Class A Shares and Class A_{bis} Shares (as described hereinafter) are solely advised on, offered to or sold to "professional investors" (as defined under MiFID II) and, as a consequence, no KID drawn up in accordance with rules provided in the PRIIPs Regulation shall be issued for such Class A Shares and Class A_{bis} Shares.

1. Name of the Sub-Fund

Luxembourg Microfinance and Development Fund (hereinafter referred to in these Sub-Fund Particulars as the "**Sub-Fund**").

2. Investment Objectives of the Sub-Fund

The objective of the Sub-Fund is to make sustainable investment within the meaning of article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**SFD Regulation**"), as further disclosed under the pre-contractual disclosure annex for "Article 9 Fund" as attached hereto under Appendix II by contributing to the alleviation of poverty in developing countries through the provision of permanent and adapted financial services to marginalised communities and individuals. The Sub-Fund invests in promising microfinance institutions ("**MFIs**") that have a positive social impact so that these institutions reach financial autonomy. In pursuance of its objectives, the Sub-Fund may invest in MFIs, in networks or

associations of MFIs, in regional funds, in microfinance vehicles ("**MIVs**") and in other microfinance-related products.

The Sub-Fund has two principal objectives, social and financial: help socially-oriented MFIs to become long term viable enterprises that reach more poor people and offer better services, and generate sufficient income to sustain its own operations and give its Shareholders a financial return that at least compensates for inflation.

The Sub-Fund will strive to provide tailor-made and innovative solutions to needy MFIs, coupling its own financial assistance with technical support from external consultants. It will deliberately focus on niche activities, activities where potential needs of MFIs are large, but current supply is scarce.

3. Background

3.1. Microfinance and financial inclusion

About half of all adults worldwide have no bank account. This exclusion from formal financial services is most prevalent among the world's poor, women, youth, people living in rural areas and geographically in Sub-Saharan Africa.

Microfinance is a term describing the provision of financial services to the poor. Microfinance is intended to cater to the needs of poor people by giving sustainable and formalized access to credit, savings, money transfer services, micro-leasing and micro-insurance. The term "micro" in microfinance is derived from the fact that transaction amounts are small compared to amounts found in traditional financial intermediation. The process of catering mostly to the part of humanity not having access to formal financial service providers (banks, insurance companies etc.) is often described under the term "financial inclusion".

Ultimately microfinance, as understood by the Sub-Fund, aims at contributing to the alleviation of poverty by reducing the exclusion and uncertainty poor people face in their daily lives and enabling economic development of micro-entrepreneurs.

3.2. Microfinance institutions

Microfinance has long been perceived as essentially a charity activity. Only in the 1980s did microfinance start to come to prominence, when insistence on repayment, cost-covering interest rate levels and a better selection of clients fostered the building up of MFIs.

MFIs provide financial services to clients who are poorer and more vulnerable than traditional bank clients. The main product of most MFIs is the provision of micro-credits for productive activities for amounts ranging from as low as EUR 100 up to several thousand Euros. Increasingly MFIs are developing a wider product range including housing, agriculture and education loans and - where the local regulation allows such products - short and long term savings products. The product range may also include money transfer services and receipt of remittances as well as life and non-life micro-insurance.

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MFIs include a wide range of providers that vary in their legal structure, mission and product methodology. Often MFIs start as not-for-profit organizations and later convert into commercial companies or even commercial banks. Alongside not-for-profit and commercial structures MFIs often operate as credit and savings cooperatives. The increasing diversity and sophistication of products catering to specific financial needs of the poor is creating new forms of microfinance entities, such as specialized money transfer or micro-insurance companies.

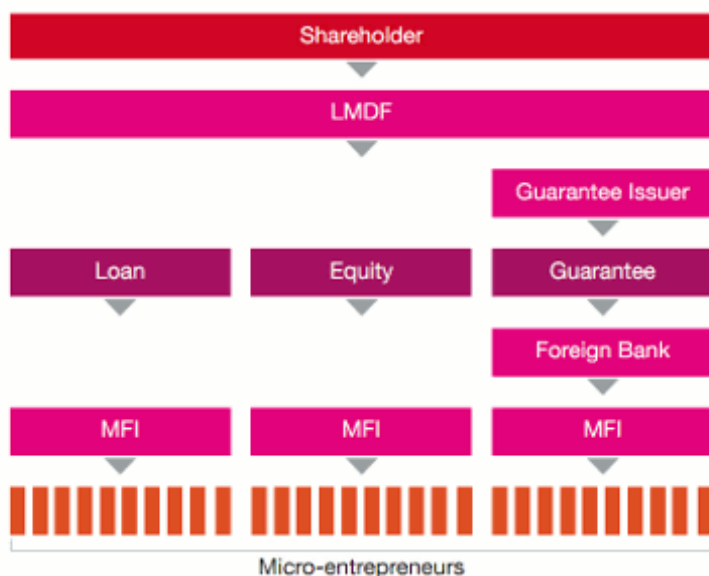
It is estimated that around 10,000 MFIs exist today, serving well over 100 million clients worldwide. Notwithstanding this impressive growth, microfinance services today still cover only a fraction of the potential clientele. Recently, traditional microfinance providers using branch networks and direct client contacts are complemented by institutions using digital technology enabled distribution and servicing models and which promise to lower transaction costs and reach previously excluded populations.

3.3.Financing of microfinance institutions

As expected in a relatively young sector, most MFIs are still in an early phase of development and may depend on grant funding to build their operations. But an increasing number of MFIs have reached a mature business model leading ultimately to financial sustainability.

Accordingly the funding of microfinance institutions comprises a large variety of actors, from organizations providing grant funding to purely commercial investors. Funding relationships with local banks and savings mobilization play an important role in financing mature MFIs. Foreign funders include microfinance investment funds, development banks and foundations. Given the large untapped demand for financial services for the poor, only financial markets (both domestic and foreign) dispose of the necessary resources to finance the future funding needs of MFIs.

The chart below illustrates the financial intermediation applied by the Sub-Fund to finance MFIs:



3.4. Origin of the Sub-Fund, the Luxembourg Microbank Intermediary Scheme ("LUXMINT")

The Sub-Fund builds on the experience gained through LUXMINT, a programme launched in 2000 and managed by *Appui au Développement Autonome* a.s.b.l. ("ADA") with funding provided by the Directorate for Development Cooperation of the Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade of the Grand Duchy of Luxembourg.

Over the following nine years, LUXMINT invested in 15 MFIs which served over 812,000 end clients. In many cases, LUXMINT's support has been perceived as recognition of the creditworthiness of the MFI, preparing the latter for subsequent mobilization of other investors. LUXMINT used a range of financial instruments and operated in various geographies. At the end of 2008, its investment portfolio was composed of 68% loans, 22% guarantees and 10% capital participations. In terms of geographical distribution, 40% of its investments were in Latin America, 37% in Africa and 23% in Asia.

A portfolio of loans granted by LUXMINT to seven MFIs has been contributed in kind to the Sub-Fund against issuance of Class A Shares in December 2009.

4. Investment Policy and Strategies

4.1. Focus on promising MFIs

The Sub-Fund's investment focus is on promising MFIs with positive social impact. Promising MFIs are institutions which have a proven business model, have reached or are close to reaching financial sustainability and have a strong social vision and mission focused on positive impact for the ultimate clients. In the case of promising MFIs using new technology and distribution models requiring substantial upfront investments, the Sub-Fund focuses on the financial sustainability of the micro-credit

activity while ensuring that the capitalisation of the MFI as a whole and commitment of key shareholders is adequate in relation to potential or incurred operating losses.

The Sub-Fund has adopted a segmentation of microfinance institutions globally by their relative maturity into Tier 1 (most mature), Tier 2 (intermediate) and Tier 3 (least mature) MFIs. The underlying definition of Tiers has been developed by an Action Group of the European Microfinance Platform, a multi-stakeholder network, and MicroRate, a microfinance information service provider. The definition classifies MFIs according to three criteria (an MFI has to meet all three criteria in order to qualify for the respective tier category):

	Tier 1 MFI	Tier 2 MFI	Tier 3 MFI
Size	> USD 50 million in Assets	USD 5 – USD 50 million in assets	No requirement
Sustainability	Return on Assets ("RoA") > 0 during 2 years out of 3 last years and all RoA > -5%	Positive RoA in 1 out of last three years and other >-5% or positive trend in RoA and all >-5%	No requirement
Transparency	Regulated financial institution or rated financial institution	Audited financial statements for at least 3 years	No requirement

Market data suggests that ca. 15% of all MFIs are Tier 1 MFIs, ca. 25% are Tier 2 MFIs and the remaining 60% are Tier 3 MFIs. The data also suggest that Tier 2 MFIs and some Tier 3 MFIs are likely to correspond to the Sub-Fund's requirements in terms of portfolio quality, sustainability and efficiency, that Tier 2 and Tier 3 MFIs reach deeper into poorer segments of clients by targeting populations with lower loan amounts and finally that Tier 2 MFIs are likely to be found in regions and niches less developed in terms of financial inclusion.

The Sub-Fund's investment focus is in principle focused on Tier 2 MFIs with strong social visions and missions focused on positive impact for the ultimate clients. The Sub-Fund may also invest up to 20% of its net assets to finance promising Tier 3 MFIs. The Sub-Fund may invest in Tier 1 MFIs (1) in case a MFI financed by the Fund becomes a Tier 1 MFI or (2) in exceptional circumstances and for the purpose of efficient portfolio management.

4.2. Geographical Scope

The Sub-Fund will invest in the developing countries of Africa, Asia and Latin America.

The decision to invest will be based less on the overall level of development of the country in question, but rather more on the merits of the individual cases, i.e. the potential benefit for the local population and the prospects of autonomy for the MFI.

4.3. Investment strategy

The Sub-Fund is a social venture capital fund, which will invest in promising MFIs, including networks of MFIs and other investment vehicles similar to itself (e.g. regional funds). The Sub-Fund will not directly engage with the end-clients of the MFIs (micro-entrepreneurs, small savers and insurance policy holders). This activity requires local presence and local knowledge and is best done by locally implanted MFIs.

The Sub-Fund will remain a flexible and attentive partner that can offer tailor-made and innovative solutions to MFIs' financial needs.

The Sub-Fund moreover strives to create linkages with actors providing technical assistance to MFIs. Given the Sub-Fund's focus on promising Tier 2 MFIs, significant synergies may be derived from the combination of financing with non-financial assistance. The Sub-Fund itself does not provide nor finance technical assistance to MFIs.

4.4. Financial Instruments Forms

The contemplated investments include, but are not limited to the following:

- Various credit products and other financing instruments, such as senior loans, term deposits, promissory notes, bonds or other interest-bearing instruments;
- Participating interests in, loans or guarantees to regional and other microfinance investment vehicles;
- Equity and quasi-equity investments; and
- Issuance of guarantees and letters of credit.

Such list of instruments is illustrative and does not prevent the Sub-Fund from investing in microfinance related hybrid instruments such as convertible bonds or redeemable preference shares or equity options or to add other instruments with clear microfinance connection in the future. Such instruments can be used either on a stand-alone basis or combined, depending on the needs of the MFI and the Sub-Fund's own considerations.

The Sub-Fund may invest in MFIs directly or indirectly through Luxembourg or foreign holding companies, if such structure is deemed within the best interest of the Sub-Fund, notably to benefit from double taxation treaties.

4.5. Debt instruments

The Sub-Fund uses debt as its preferred investment instrument. Debt usually takes the form of senior unsecured loans but the Sub-Fund may also grant senior secured, sub-ordinated or convertible loans depending on the needs of the MFI.

4.6. Tenor

In order to allow promising MFIs to develop, the maturity of the Sub-Fund's loans will typically be between three to five years, potentially even longer in specific cases.

4.7. Interest rate

As an investment vehicle with a development vocation, the Sub-Fund will take into account and balance the interests of its investors with those of the ultimate beneficiaries, the clients of MFIs. When determining appropriate interest rates on the loans offered, the Sub-Fund takes into account its own return requirements, the local financing market conditions, the respective risk profiles and the social impact of MFIs. The interest rate may vary from country to country and even from MFI to MFI within the same country, depending on the characteristics of the MFI, on the characteristics of each country's financial sector and on the accessibility of foreign financing. For loans granted in local currency, the costs of currency risk hedging (borne by the MFI) often constitutes a significant part of the total financing costs.

4.8. Capital participation

One of the investment instruments that the Sub-Fund may also use is capital participation. As an open-ended financial commitment to the MFI, the Sub-Fund adds value through its reliable long-term funding and the extensive knowledge and experience it and its partners bring to the corporate governance of the MFI. The Sub-Fund will in principle not become either the majority or the major shareholder of the MFI. Its representation on the board and in assemblies of shareholders of the MFI will be decided on a case by case basis.

Although the duration of engagement is theoretically open-ended, the Sub-Fund will state clearly to the MFI that, once the latter is able to find alternative, commercial sources of financing, the Sub-Fund will consider its mission fulfilled and intends to sell its stake. The moment and modalities of exit will be based on the Sub-Fund's discretionary judgement, but guided by its overriding principle of serving the marginalized population in developing countries and considering the best interest of Investors. The Sub-Fund will prepare its exit in close consultation with the MFI's board and management. It may give preference to domestic country investors of the MFI, as these play a major role in strengthening the local economic and social tissue and have an important development impact. The Sub-Fund's stake could for example be sold to another investor, be bought back by the MFI or be offered for sale at a public offering.

The Sub-Fund may also invest in equity instruments of service providers to MIVs if such equity investments give access to services which ultimately benefit the Sub-Fund. Such services may include foreign exchange hedging for currencies for which hedging may otherwise not be available nor accessible to the Sub-Fund or excessively costly.

4.9. Guarantee

The Sub-Fund's guarantee mechanism may consist of a deposit made by it at a Luxembourg bank, which in turn issues a letter of credit to a lender, domestic (same country as the MFI) or international, who in turn provides credit facilities to the MFI, in view of linking the MFI to financial markets and alleviating the currency risk for the MFI. The Sub-Fund receives a commission from the MFI based on the guaranteed amount.

4.10.Regional or other microfinance investment vehicles

The Sub-Fund may invest in investment vehicles investing in microfinance debt, equity, guarantee or related instruments if investing in such vehicles is deemed advantageous with regards to access to certain MFIs or in view of operational efficiency of the Sub-Fund and the investment vehicle shares the Sub-Fund's social objectives. The Sub-Fund will in particular invest in investment vehicles based in developing countries and thus profit from the extensive local knowledge of the fund managers of such vehicles.

4.11.Currency exposure

Along the chain of microfinance intermediation, three players can take on currency risk: the Sub-Fund, the intermediary MFI and the end-client. Neither the MFI, as a developing institution, nor the end-client, can be expected to have the capacity to manage currency risks well. As an entity with a development vocation, it would not seem appropriate for the Sub-Fund to pass on this risk entirely to its developing country counterparts. Hence, next to the Euro and the USD, the Sub-Fund may engage also substantially in the domestic currencies of the MFIs.

4.12.Liquid assets

The Sub-Fund may invest on an ancillary basis, and for the purpose of its liquidity management, its treasury in cash, sight deposits, term deposits, money market instruments or other liquid instruments, including money market and debt instruments, UCIs and in liquid socially responsible, in particular microfinance-related, investment products.

The Sub-Fund intends to keep a minimum of 10% of its total net assets in liquid assets. If the Sub-Fund is not able to maintain such percentage, for example in case of significant redemptions, the Sub-Fund intends to sell less liquid investments and to attain such percentage in a time period considered appropriate in the best interest of Investors.

5. Investment Restrictions

5.1 Restrictions applicable to investment in financial instruments other than open-ended UCIs

The Sub-Fund may not:

- a) acquire more than 30% of the equity instruments issued by the same issuer, except on a temporarily basis. In such a case, the Sub-Fund will use its best endeavours to reduce such holding so as to represent no more than 30% within two years from the acquisition.
- b) invest more than 5% of the net assets of the Sub-Fund in financial instruments issued by the same issuer and guarantees exposing it to the latter, with an exposure of up to EUR 1.25 million permitted

towards any issuer as long as the Sub-Fund's net assets are below EUR 25 million.

- c) invest more than 15% of the net assets of the Sub-Fund in a single country.
- d) invest more than 10% of the net assets of the Sub-Fund into equity instruments.

The Sub-Fund may invest up to 100% of its net assets in non-listed securities.

The restrictions mentioned in this paragraph "*Restrictions applicable to investment in financial instruments other than open-ended UCIs*" are applicable to units or shares issued by closed-ended UCIs, the securities of which are considered as transferable securities.

The restrictions mentioned hereinabove under a), b) and c) are not applicable to securities issued or guaranteed by a member state of the Organisation for Economic Cooperation and Development or their local authorities or public international bodies with European Union, regional or world-wide scope.

5.2 Restrictions applicable to investment in open-ended UCIs

The restrictions set forth under (a), (b) and (c) of paragraph "*Restrictions applicable to investment in financial instruments other than open-ended UCIs*" hereinabove and the relaxations of those restrictions set forth under the same abovementioned paragraph are applicable to the purchase of units or shares issued by open-ended UCIs if such UCIs are not subject to risk diversification requirements comparable to those provided for UCIs subject to Part II of the 2010 Law.

These restrictions are not applicable to the acquisition of units of open-ended UCIs if such target UCIs are subject to risk diversification requirements comparable to those applicable to UCIs which are subject to Part II of the 2010 Law and if such target UCIs are subject in their home country to a permanent supervision by a supervisory authority set up by law in order to ensure the protection of investors.

This derogation may not result in an excessive concentration of the investments of the Sub-Fund in one single target UCI provided that, for the purpose of this limitation, each compartment of a target UCI with multiple compartments is to be considered as a distinct target UCI if the principle of segregation of the commitments of the different compartments towards third parties is ensured.

5.3 Borrowings and Leverage

Borrowings

The Sub-Fund does not intend to use borrowings to finance its investments. It may however use borrowings, in limited circumstances, for liquidity management purposes and in order to meet redemption requests.

Use of leverage

Leverage means any method by which the Sub-Fund's exposure may be increased, whether through the borrowing of cash or of any other assets, via derivatives or by any other means.

For the purpose of calculating the leverage of the Sub-Fund:

Any reference to the "Commitment Method" is to be understood as referring to the commitment method used to calculate the leverage within the meaning of the AIFM Regulation and which allows to take into account netting arrangements, sums the value of all physical positions, the notionals of all derivative instruments, takes into account any leverage generated through securities lending or borrowing and reverse repurchase agreements, but excludes derivatives that are used within hedging arrangements and derivatives that do not generate any incremental leverage.

Any reference to the "Gross Method" is to be understood as referring to the gross method used to calculate the leverage within the meaning of the AIFM Regulation and which does not take into account netting and hedging arrangements, sums the value of all physical positions, the notionals of all derivative instruments, takes into account any leverage generated through securities lending or borrowing and reverse repurchase agreements, but excludes cash & cash equivalents held in the base currency of the Sub-Fund.

At the date of this Prospectus, the maximum level of leverage for the Sub-Fund under the "Commitment Method" is 175% and the maximum level of leverage under the "Gross Method" is 200%.

Investors should note that the maximum level of leverage set out above in respect of the Sub-Fund is provided in accordance with the requirement of section 2 of the AIFM Regulation.

The effective level of leverage of the Sub-Fund is available upon request of Shareholders at the registered office of the Fund.

5.4 Techniques and Instruments

The Sub-Fund shall generally not invest in derivative instruments, other than currency or interest rate hedging instruments, debt swaps, sovereign default credit swaps, or similar agreements designed to manage risk associated with financial instruments or

borrowings, and similar risk management derivatives, within the limits set forth in Appendix I "*Special Investment and Hedging Techniques and Instruments*".

6. Investments identification and monitoring procedure

6.1. Identification of potential MFIs

For the identification of potential MFIs it can invest in, the Sub-Fund relies on investment advisers and on proposals from other institutions engaged in financing of MFIs and development cooperation. MFIs in developing countries may also initiate their own request for funding.

The due diligence process includes an institutional and contextual analysis of the MFI, drawing upon qualitative as well as quantitative criteria. This analysis will look into the institutional structure of the MFI (history, governance, legal structure, human resources, etc.), it will assess its social profile (social mission, targeted clients, product offering, quality of established links with customers, etc.), and it will examine its financial robustness (cost coverage, capital structure, dependency on donors, portfolio quality, credit methodology, reserves and provisions, etc.). The analysis will draw upon the annual reports of the MFI, its financial accounts (preferably audited), and other available reports (e.g. rating report).

In addition to the institutional analysis, a country analysis is undertaken, to assess the environment the MFI operates in. This analysis consists in an evaluation of the country's political and macroeconomic situation, its social indicators, its legal and judicial environment, and the conditions of its financial sector, in particular the provision of financial services to the poor and the feasibility of cross-border transactions.

Coupled to the above analysis is a field visit, to verify, complete and deepen the information at the Sub-Fund's disposal. An important component of the field visit will lie in personal contacts with the managers of the MFI and may include a visit to micro-entrepreneurs who are clients of the MFI. The field visit will normally be conducted by an investment adviser.

If the MFI passes this screening successfully, the proposal is presented to the AIFM. The AIFM takes the final investment decision.

6.2. Monitoring of MFI

When financial support to an MFI is granted by the Sub-Fund, a contract is negotiated and signed between the MFI and the Fund for the account of the Sub-Fund or through an intermediate holding entity. The contract will require the MFI to, among other things, deliver a quarterly factsheet to the Sub-Fund (by which the Sub-Fund gauges the latest developments of the MFI with a series of key performance indicators), inform the Sub-Fund of any important events that may have a material impact on the course of the MFI, and accept field visits to its office by a Fund representative or an investment adviser or the AIFM. The MFI will moreover be strongly encouraged to introduce within a reasonable time period regular external evaluation of its performance, both financial

and social, through an external rating agency, if it has not yet done so. The Sub-Fund will withdraw its funding in case of serious violation of the contract.

The AIFM with the support of the investment advisers will monitor the invested MFI. Care will be taken in the selection of investment advisers, which shall be independent from the MFIs they follow.

7. Synergies between investments and technical assistance

The Sub-Fund invests mainly in promising Tier 2 MFIs. These MFIs often need technical assistance to realize their objectives, for example in the areas of the development of new products, capacity building, training and the sharing of best practices. The Sub-Fund does not provide nor finance technical assistance but may actively promote the build-up of links between the MFIs and external parties that can offer different kinds of technical services to the MFIs. The purpose is to facilitate the development of the MFIs.

8. Share Classes

The Sub-Fund presents a diversified and differentiated capital structure, encompassing the public sector, private institutions and private individuals.

Four Classes of Shares are currently offered in the Sub-Fund, namely Class A Shares, Class A_{bis} Shares, Class B Shares and Class C Shares, each targeting different types of Investors, evidencing a different level of risk, offering a different target return and evidencing a different level of involvement in the Fund's governance. The four Classes of Shares form one single portfolio for investment.

8.1. Risk profile

The risks and associated potential losses incurred by the Sub-Fund are allocated between the four Classes of Shares in proportion to their percentages in the Sub-Fund's NAV except for Class C Shares' exposure to microfinance impairment risk.

Class A Shares and Class A_{bis} Shares shall cover the net loss since the last Valuation Day allocated to Class C Shares, if such loss arises from the impairment of microfinance related investments. In such case, Class A Shares' capital covers Class C Shares' loss until either Class C Shares' NAV reaches its NAV of the previous Valuation Day, the impairment loss allocated to Class C Shares according to their proportion in the Sub-Fund's total NAV is absorbed by Class A capital, or Class A Shares' capital becomes depleted, whichever limit is attained first. When Class A Shares' capital becomes depleted the remaining impairment loss allocated to Class C Shares according to their proportion in the Sub-Fund's total NAV is absorbed by Class A_{bis} capital, or Class A_{bis} Shares' capital becomes depleted, whichever limit is attained first. Class A Shares nor Class A_{bis} Shares will not cover any loss, nor the part of any loss, occurred since the last Valuation Day allocated to Class C Shares not arising from microfinance impairment risk. Microfinance impairment risk is defined for this purpose as any reduction in value in the Sub-Fund's microfinance investment that results from the deterioration of the financial conditions of the counterparty.

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Microfinance impairment risk does not include any reduction in value in the Sub-Fund's microfinance investment that results from the depreciation of the investment currency vis-à-vis the Euro (currency risk), from externally imposed restrictions on cross-border capital transfer and forced confiscation or appropriation of the Sub-Fund's investment (country risk) or, specifically for the Sub-Fund's capital participations, any reduction in value that results from a diminution in the external references that are unrelated to the counterparty's own financial conditions. These risks, as well as all other risks incurred by the Sub-Fund such as liquidity risk, operational risk and counterparty risk emanating from the Sub-Fund's liquidity placements are not covered by Class A Shares or Class A_{bis} Shares on behalf of Class C Shares, but are borne by each Share Class in proportion of its percentage in the Sub-Fund's Net Asset Value.

Shareholders in Class C Shares should be aware that the cover granted to Class C Shares in respect of the impairment risk emanating from the microfinance investments of the Sub-Fund is not a guarantee that the NAV per Share of Class C Shares will never decrease. Shareholders in Class C Shares should also note that the coverage is effective only as long as there is sufficient Net Asset Value attributable to Class A Shares and Class A_{bis} Shares to cover the microfinance impairment risk of Class C Shares.

The combined Net Asset Value of Class A Shares and Class A_{bis} Shares shall represent at least 20% of the sum of the Net Asset Values of Class A Shares, Class A_{bis} Shares and Class C Shares, in order to provide the aforementioned coverage. Additional subscriptions of Class C Shares in respect of each Valuation Day will be subject to this safeguard ratio, determined on the basis of the previous NAV adjusted so as to take into account the subscription and redemption requests received in respect of that Valuation Day.

Class B Shares bear their own microfinance impairment risk, i.e. they support any loss resulting from a microfinance investment, and any loss incurred by the Sub-Fund in general, in proportion of the percentage of the Sub-Fund's Net Asset Value they represent.

8.2.Return

If the conditions as described in paragraph "*Allocation of Net Asset Value*", provided hereinafter in these Sub-Fund Particulars, are met, Class B Shares shall earn a 1 percentage point p.a. higher return than Class A Shares, Class A_{bis} Shares and Class C Shares, to the extent possible. Class A Shares, Class A_{bis} Shares and Class C Shares will start being remunerated once the return of the Sub-Fund permits to give Class B Shares a return equivalent to 1 percentage point p.a.

In case of loss for the Sub-Fund, the four Classes of Shares shall bear the loss according to their respective proportions in the Sub-Fund's overall Net Asset Value, except for the allocation of the microfinance impairment risk between Class A Shares, Class A_{bis} Shares and Class C Shares as described hereinabove under paragraph "*Risk profile*" of these Sub-Fund Particulars.

In case the Sub-Fund's provisions for write-downs due to microfinance impairment risks are deemed excessive at a later date and returned to the Sub-Fund's Shareholders, the four Classes of Shares shall as a general rule be allocated their shares of the excess write-down as determined by their respective proportions in the Sub-Fund's total Net Asset Value, whereas Class A Shares and Class A_{bis} Shares shall recuperate in priority the net cumulative impairment loss they have previously covered, if any, for Class C Shares.

8.3. Involvement in the Fund's governance

Class A Shares and Class A_{bis} Shares constitute the core capital of the Sub-Fund and are meant to be held by Shareholders who bear a greater investment risk in order to promote microfinance investment among private investors. In return, Class A and Class A_{bis} Shareholders receive a significant influence over the Fund's governance. Class A Shareholders and Class A_{bis} Shareholders are entitled to have a greater involvement in the Fund's governance than Class B or Class C Shareholders. Firstly, Class A Shareholders have the right to propose to the general meeting of Shareholders a list containing the name of candidates for the position of Director of the Fund out of which a majority of the Directors of the Fund must be appointed. Secondly, as each Share of the Sub-Fund entitles the holder to one vote irrespectively of the Class the Share belongs to, and as the initial subscription price of Class A Shares and Class A_{bis} Shares is set 4 times lower than the initial subscription price of Class B Shares and Class C Shares, Class A Shareholders and Class A_{bis} Shareholders receive more voting rights than Class B and Class C Shareholders for the same amount invested.

8.4. Shares Classes features

Class A Shares features

- Eligible Investors Luxembourg Government, and such other “professional” investors (as defined under MIFID II) as may be approved by the existing Class A Shareholders.
- Denomination currency Euro.
- Initial subscription price Euro 25 per Share.
- Target return At least above the inflation rate targeted by the European Central Bank over the medium term (consumer price index), i.e. 2% p.a., in order to safeguard the real value of the Share.
- Redemption Not redeemable.
- Transferability Restricted to Class A Eligible Investors, subject to the prior consent of existing Class A Shareholders, which cannot be unreasonably withheld.

- Risk profile Junior (as further described hereinabove in paragraph "Risk Profile" of these Sub-Fund Particulars).
- Specific rights Class A Shares give the right, in accordance with the Articles, to propose to the general meeting of Shareholders a list containing the name of candidates for the position of Director of the Fund out of which a majority of the Directors of the Fund must be appointed.
- Sale (subscription) fee Not applicable
- Redemption fee Not applicable

Class A_{bis} Shares features

- Eligible Investors Investors primarily seeking a developmental impact and wanting to leverage their investment with resources from the private sector, provided that they qualify as "professional" investors, or, as the case may be, have requested to be treated as "professional" investors, (as defined under MIFID II).
- Denomination currency Euro.
- Initial subscription price Euro 25 per Share.
- Target return At least above the inflation rate targeted by the European Central Bank over the medium term (consumer price index), i.e. 2% p.a., in order to safeguard the real value of the Share.
- Redemption Redeemable subject to an 18 months' notice period and provided that redemptions will only be accepted to the extent that, after such redemptions, the combined Net Asset Value of Class A Shares and Class A_{bis} Shares amounts at least to 25% of the sum of the Net Asset Values of Class A Shares, Class A_{bis} Shares and Class C Shares.
- Transferability Restricted to Class A and Class A_{bis} Eligible Investors.
- Risk profile Junior (as further described hereinabove in paragraph "Risk Profile" of these Sub-Fund Particulars).
- Specific rights No specific right.
- Sale (subscription) fee Not applicable
- Redemption fee Up to 2% to the benefit of the Sub-Fund as determined by the Board of Directors.

Class B Shares features

- Eligible Investors No restriction.

- Denomination currency Euro.
- Initial subscription price Euro 100 per Share.
- Target return At least above the inflation rate targeted by the European Central Bank over the medium term (consumer price index), plus 1 percentage point, i.e. 3% p.a.
- Redemption Redeemable.
- Transferability Free transferability.
- Risk profile Mezzanine.
- Specific rights Class B Shares shall earn a 1 percentage point p.a. higher return than Class A Shares, Class A_{bis} Shares and Class C Shares to the extent possible.
- Sale (subscription) fee Up to 2% to the benefit of the distributor.
- Redemption fee Up to 2% to the benefit of the Sub-Fund as determined by the Board of Directors.

Class C Shares features

- Eligible Investors Private individuals and private non-profit organisations.
- Denomination currency Euro.
- Initial subscription price Euro 100 per Share.
- Target return At least above the inflation rate targeted by the European Central Bank over the medium term (consumer price index), i.e. 2% p.a., in order to safeguard the real value of the Share.
- Redemption Redeemable.
- Transferability Restricted to Class C Eligible Investors and, in case of transfer to non-profit organisations, subject to the Board of Directors' prior consent, which cannot be unreasonably withheld.
- Risk profile Senior.
- Specific rights Class C Shares' risk emanating from impairment of the microfinance investments of the Sub-Fund is covered by Class A Shares and Class A_{bis} Shares under certain conditions of Net Asset Value. This support is effective as long as there is sufficient Class A and Class A_{bis} capital to cover Class C Shares.

- Sale (subscription) fee Up to 2% to the benefit of the distributor.
- Redemption fee Up to 2% to the benefit of the Sub-Fund as determined by the Board of Directors.

In particular, the Fund reserves the right to suspend subscription in Class C Shares within the Sub-Fund if the threshold of 20% between (i) the NAV of the Class A Shares and the Class A_{bis} Shares and (ii) the sum of the NAV of the Class A, Class A_{bis} and Class C Shares as described hereinabove in paragraph "*Risk profile*" of these Sub-Fund Particulars is breached or can be expected to be breached. In such case, subscription applications already received by the Sub-Fund and in excess of the threshold will be cancelled pro rata as determined by the Fund and the excess subscription monies returned to the applicants without interest as soon as practicable.

8.5. Allocation of Net Asset Value

The Net Asset Value of the Sub-Fund, determined pursuant to Section 7 "*Net Asset Value and Valuation of Assets*" of Section I of the Prospectus, is allocated among the Classes A, A_{bis}, B and C in the following way:

The preferential return to Class B Shares as stipulated in Section 8 "*Share Classes*" of these Sub-Fund Particulars shall be allocated if and only if the Sub-Fund results since the last Valuation Day, both with and without microfinance impairment risk, show a profit. In such case, the net profit generated by the Sub-Fund since the last Valuation Day is first allocated to Class B Shares until such remuneration reaches either the total net profit since the last Valuation Day, the equivalent of a 1% per annum interest on Class B Share's NAV or, if there is return of a previously made excessive microfinance impairment, the total profit without impairment return since the last Valuation Day, whichever limit is attained first. The remaining net profit, if any, is allocated among the four Classes of Shares according to their respective proportions in the Sub-Fund's total NAV.

Microfinance impairment risk is allocated to the different Classes following the methodology set out in Section 8 "*Share Classes*" of these Sub-Fund Particulars.

9. How to Deal

9.1. Subscription

Subscriptions of Shares are accepted on a quarterly basis at each Valuation Day.

The subscription price per Share (the "**Subscription Price**") will be equal to the Net Asset Value of the relevant Class of the relevant Sub-Fund increased, as the case

may be, by a sales fee as stated below. The Subscription Price is available for inspection at the registered office of the Fund.

The Shares will be issued on a continuous basis, as capital is required by the Sub-Fund.

Any applicant shall complete an Application Form in such form as the Fund may from time to time prescribe and shall comply with such conditions as may be prescribed by the Fund. Only Application Forms prescribed by the Fund or its authorised agent will be accepted. Investors whose applications are accepted will be allotted Shares issued on the basis of the NAV determined in respect of the Valuation Day following receipt of the Application Form provided that such application has been received in Luxembourg at the registered office of the Administrative Agent not later than 6:00 p.m. (Luxembourg time), on the fifth Business Day preceding the relevant Valuation Day. Applications received after that time will be processed in respect of the next Valuation Day.

Whenever the Fund offers Shares for subscription, the price per Share at which such Shares are offered may be increased by a sales fee of up to the maximum referred to in Section 8 "*Share Classes*" of these Sub-Fund Particulars to the benefit of the distributor. The price so determined shall be payable to the Fund's account at the Depositary, in the denomination currency of the relevant Class of the relevant Sub-Fund or in any other currency specified by the Investor (in which case any currency conversion cost shall be borne by the investor) within five Business Days following the publication of the applicable NAV.

Written confirmations of shareholding will be sent to Shareholders within two Business Days following the issue of the Shares.

The Shares will be issued on the sixth Business Day following the publication of the applicable NAV.

The Fund reserves the right to reject in its full discretion any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant without interest as soon as practicable or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Classes of Shares of the Sub-Fund.

The Fund may agree to issue Shares as a consideration for a contribution in kind of securities or other assets, provided that such securities or other assets comply with the investment objectives and policy of the relevant Sub-Fund and that the contribution is made in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the approved statutory auditor of the Fund ("*réviseur d'entreprises agréé*") which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities or other assets shall be borne by the relevant Shareholders, unless the Board of Directors considers that the subscription in kind is in the interests of the Sub-Fund, in which case such costs may be borne in all or in part by the Sub-Fund.

No Shares of any Sub-Fund will be issued during any period when the calculation of the NAV in such Sub-Fund is suspended, in accordance with the Articles.

In the case of suspension of dealings in Shares, the application will be dealt with as at the first Valuation Day following the end of such suspension period.

9.2.Late trading and market timing

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

Market Timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value of the UCI.

The Fund shall comply with any relevant provisions contained in CSSF Circular 04/146 of 17 June 2004 concerning the protection of undertakings for collective investment and their investors against Late Trading and Market Timing practices as they may be amended or revised from time to time.

In this respect, no subscription, conversion or redemption orders received by the Fund for the Sub-Fund will be accepted after the relevant cut-off time except for subscription, conversion or redemption orders received by the distributors which undertake to apply the cut-off time to all such orders and transmit the orders to the Administrative Agent within a reasonable period of time. Subscriptions, conversions or redemptions will be dealt on a forward pricing basis as more fully described in this Sub-Fund Particulars.

The Board of Directors does not permit practices related to Market Timing for the Sub-Fund. Both the Board of Directors and the Administrative Agent reserve the right to reject subscription and conversion orders from an Investor whom the Board of Directors or the Administrative Agent suspects of using such practices. The Board of Directors further reserves the right to take, if appropriate, the necessary measures to protect the other Investors of the Sub-Fund.

9.3.Redemption

Unless otherwise provided for in Section 8 "*Share Classes*" of these Sub-Fund Particulars, Shares are redeemable on a quarterly basis as at each Valuation Day at the request of the Shareholders at a price based on the NAV of the relevant Shares. Shares will be cancelled as at the first Business Day of the following quarter.

Redemption requests should contain the following information: the identity and address of the Shareholder requesting the redemption, the number of Shares or amount to be redeemed, the relevant Class of Shares, the name in which such Shares are registered and details as to whom payment should be made. All necessary documents to complete the redemption should be enclosed with such request.

The redemptions are dealt with at an unknown NAV. Shareholders whose requests for redemption are accepted will have their Shares redeemed in respect of a Valuation Day provided that the requests have been received in Luxembourg not later than 6:00 p.m. (Luxembourg time) on the 45th calendar day preceding the Valuation Day (or, if such day is not a Business Day as defined here above, on the following Business Day). Requests received after that time will be processed in respect of the next applicable Valuation Day.

Shares will be redeemed at a price equal to the NAV in the relevant Class in respect of the relevant Valuation Day less a redemption fee of up to the maximum referred to in Section 8 "*Share Classes*" of these Sub-Fund Particulars. Redemption fees will be payable to the Sub-Fund. The same level of redemption fee will be applicable to all Shares of the same Class redeemed as at the same Valuation Day.

The Board of Directors reserves the right to modify the redemption charge if and when appropriate.

The redemption price shall be paid not later than 4 Business Days after the publication of the applicable NAV, or from the date on which the redemption request is complete, whichever is the later date.

Payment will be made by wire transfer to the Shareholder or by bank order to an account indicated belonging to the Shareholder, at such Shareholder's expense and risk. No payment to third-party accounts will be made.

The redemption price will be paid in the denomination currency of the relevant Class or in any other freely convertible currency specified by the Shareholder. In the last case, any currency conversion cost shall be borne by the Shareholder. The redemption price may be higher or lower than the price paid at the time of subscription or purchase.

Shares will not be redeemed if the calculation of the NAV is suspended in accordance with the Articles.

Furthermore, if with respect to any Valuation Day redemption requests relate to more than 5% of the Net Asset Value of the Sub-Fund or a specific Class, the Board of Directors may decide that the processing of part or all of such requests for redemption or part or all the payment of such requests in excess of this limit will be deferred (pro rata) for such period as the Board of Directors considers to be in the best interest of the Sub-Fund, but normally not exceeding three months. Redemption requests, whose processing would have been deferred, will be met in priority to later requests or at the next available Valuation Day, subject to the 5% limit, as applicable.

9.4. Conversion

Any Shareholder is entitled to request the conversion of all or part of his/her/its Shares of the Sub-Fund into Shares of another Sub-Fund or of Shares of one Class into Shares of another Class, subject to the restrictions set in Section 8 "*Share Classes*" of these Sub-Fund Particulars (e.g., eligibility criteria). The price for the conversion of

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Shares shall be computed by reference to the respective Net Asset Value of the Sub-Funds or the Classes of Shares, calculated as at the same Valuation Day.

10. Net Asset Value and Valuation of Assets

The NAV in respect of each Class of the Sub-Fund shall be calculated on the last calendar day of March, June, September and December (each being a **"Valuation Day"**).

The NAV is determined as at each Valuation Day, on the basis of the value of the underlying investments of the Sub-Fund determined by the AIFM in compliance with the principles set forth in the Articles and item 7. "Net Asset Value and Valuation of Assets" of Section I. General Provisions of this Prospectus.

The tolerance threshold for NAV calculation errors is defined at 1.0% of NAV.

With respect to non-listed capital participations, the following rules do more specifically apply. Capital participations not listed or dealt in on any stock exchange or any other regulated market that operates regularly, is recognized and open to the public will be valued at their reasonably foreseeable sales price determined prudently and in good faith pursuant to procedures established by the AIFM. Such procedures include in order of preference:

- Up to the first year following any of the Sub-Fund's acquisition, the capital participations will be valued at cost. A different valuation approach may be taken if material changes within the MFI or in its operating environment occur during the first year following acquisition;
- After the first year of holding, the value of the capital participation will be estimated with reference to prices of equity transactions or issues of new shares involving the same MFI within a reasonable time period of the Valuation Day. Such a time period is determined by an assessment of the AIFM whether material changes within the MFI or in its operating environment have occurred since the date such transaction took place;
- If such transactions are not available or deemed not representative of fair value, the value of the capital participation should be estimated with reference to the price-to-book ratio at which the Sub-Fund acquired the capital participation. Such ratio may be adjusted by factors obtained from relevant industry sources. The AIFM may consider alternative ratios such as price-to-earnings or price-to-cash flow multiples if the application of such multiples is deemed more appropriate to the circumstances of the MFI;
- In case the Sub-Fund has entered into negotiations to sell a capital

participation to a third party, the capital participation may be valued at its expected sales price if the disclosure is judged appropriate by the AIFM in view of the ongoing negotiations.

- The AIFM intends to conduct, whenever feasible and, if possible, at least once per year, based on available information and the resources available to the Sub-Fund, the following cross-checks to the valuation of capital participations:
- by industry ratios implied by transactions and ratios obtained from quoted companies deemed comparable by the AIFM, as and when such comparables become available;
- by using the income approach in the form of discounted cash flow ("**DCF**"). The use of DCF depends critically on the availability of future earnings or cash-flows as forecasted by the MFI's management, as well as the determination of an appropriate cost of capital to discount such earnings or cash-flows.

11. Management Structure of the Sub-Fund

The Board of Directors is responsible for the definition of the investment policy and objectives of the Sub-Fund and of the overall supervision of the Sub-Fund's management. In order to manage the Sub-Fund's Portfolio, the Board of Directors has appointed the AIFM. The AIFM has appointed the Investment Adviser.

11.1. Fund Internal Organisation

As set out in the general part of the Prospectus, the Fund is managed by the Board of Directors which may entrust to one of its members or to a committee composed of several persons who are not necessarily members of the Board of Directors or to another company, including, as the case may be, a subsidiary of the Fund, the Administration Functions (the relevant director, committee or another company entrusted with such functions is herein referred to as the "**Administration Functions Provider**").

As set out in the general part of the Prospectus, the Administration Functions Provider is entitled to receive a fee that, together with the fee paid to the investment adviser(s), is of maximum 3% of the Sub-Fund average Net Asset Value per year. This fee shall cover all of the Administration Functions Provider's costs (including all wages, salaries, bonus and benefits, and in case of an Administration Functions Provider under the form of a legal person, all other operating costs of such legal person).

For the avoidance of doubt, the Sub-Fund shall support its own organizational and operating expenses.

11.2. AIFM

The Board of Directors has appointed the AIFM to perform (i) the portfolios management of the Sub-Fund and (ii) the risk management in accordance with the AIFM Directive, Section I General Provisions of this Prospectus and the Sub-Fund Particulars.

The Sub-Fund will pay the AIFM a fee (the "**AIFM's Fee**") of up to:

- 0.08% per annum of the Sub-Fund's Net Assets Value for the first EUR 50 million
- 0.07% per annum of the Sub-Fund's Net Assets Value between EUR 50 million and EUR 100 million; and
- 0.06% per annum of the Sub-Fund's Net Assets Value above EUR 100 million.

The AIFM's Fee is subject to an annual minimum fee of EUR 40,000.

The AIFM shall set up the following two committees:

- (a) An investor committee whose members may be composed of the representatives of the Fund, of the Investment Adviser, of the AIFM of representatives of Shareholders of Class A, Abis, B or C and independent experts (the "**Investor Committee**").
- (b) An investment committee (the "**Investment Committee**") composed of (i) four representatives of the AIFM, (ii) one representative of the Fund and (iii) one representative of the Investment Adviser (as defined below) who is participating to such Investment Committee as support but does not have any voting rights; and

The Investment Committee will take all investment and disinvestment decisions as well as any other decision relating to the management of the Sub-Fund's portfolio, upon non-binding recommendations made by the Investor Committee, within the limits of the investment policy and objectives of the Sub-Fund, as defined by the Board of Directors

11.3. Investment Adviser

As at the date of the Prospectus, the AIFM pursuant to a tripartite agreement entered into on 14 December 2023 and effective as of 15 December 2023 with the Fund has appointed ADA whose registered office is located at 39, rue Glesener, L-1631 Luxembourg, Grand Duchy of Luxembourg, as investment adviser (the "**Investment Adviser**") to provide, *inter alia*, the following services:

- (i) identification, valuation (analysis and due diligence), selection, negotiation and structuring of microfinance investment and disinvestment opportunities and assistance with respect to the servicing of loans ;
- (ii) review, supervision and monitoring of microfinance investments and management of the Sub-Fund's relationship with its target investments.

In consideration of its advisory services rendered to the AIFM with respect to the Sub-Fund, the Investment Adviser is entitled to receive, out of the assets of the Sub-Fund a total fee of maximum 1.6% of the Sub-Fund's average Net Asset Value per year as long as the Sub-Fund's total Net Asset Value exceeds EUR 25 million and a total fee of maximum 1.75% of the Net Asset Value is less than EUR 25 million.

12. Distributors

The following entities have been appointed as distributors of the Sub-Fund:

Banque et Caisse d'Epargne de l'Etat, Luxembourg
1, Place de Metz
L-2954 Luxembourg

Banque de Luxembourg S.A., Luxembourg
14, boulevard Royale
L-2449 Luxembourg

BGL BNP Paribas S.A., Luxembourg
50, avenue J.F. Kennedy
L-2951 Luxembourg

Banque Raiffeisen, Société Coopérative
4, rue Léon Laval
L-3372 Leudelange

MFEX Mutual Funds Exchange AB, Sweden
Grev Turegatan 19
10249 Stockholm

13. Tax Status

The Sub-Fund has been granted an exemption from the subscription tax in accordance with article 175 of the 2010 Law, as amended, and Article 1 of Grand Ducal Regulation of 14 July 2010 determining the conditions and criteria for exemption from the subscription tax on UCIs investing in microfinance.

In particular, as provided by the 2010 Law, as amended, the Fund must indicate the value of the eligible net assets separately in the periodic declarations that they make to the *Administration de l'Enregistrement, des Domaines et de la TVA*.

14. Risk Factors

Prospective Investors should consider risks which include, but are not limited to, counterparty risk, currency risk, country risk, liquidity risk, operational risk, risks linked to investment in other UCIs and risks linked to the valuation of illiquid and unlisted investments. The risks referred to below are not exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice.

14.1. Counterparty risk

A significant risk the Sub-Fund is exposed to is counterparty risk. The Sub-Fund's assets essentially consist of its portfolio of debt, equity and guarantees. The Sub-Fund's counterparties are often perceived as high risk: young MFIs, located in developing countries, granting mostly uncollateralized credit to poor people without a credit record.

However, in practice, numerous studies have shown that poor people are not worse borrowers than their richer counterparts. Evidence suggests that, being already at the bottom of the society, the creditworthiness of poor people seems remarkably unaligned with the business cycle. Moreover, as the Sub-Fund does not lend directly to the end clients, but to MFIs, it benefits from risk diversification over a very large number of borrowers. To diversify its risks, the Sub-Fund will invest pursuant to the principle of risk spreading in accordance with the investment rules disclosed in Section 5 "*Investment Restrictions*" of these Sub-Fund Particulars.

Potential Investors should particularly note that investments in minority equity shares in MFIs in developing countries and related investments in debt and guarantee instruments are inherently risky, notably to external shocks (natural disasters, political risks, etc.) and to the risk that the MFI may not succeed in its strategy, for example through inadequate governance and/or risk management. The sale of an equity participation in an MFI which has not performed as expected might involve significant mark-downs on the price or a buyer might not be found at all.

14.2. Currency risk

Microfinance intermediation at the international level usually involves the provision of capital in a currency different to the currency the end-client of the MFI borrows in. The capital provided by the foreign investor is typically converted into the local currency of the MFI at the beginning of the engagement, and reconverted at the end of the engagement. As currency exchange rates do not remain the same over time, but can sometimes vary significantly, the invested funds are exposed to currency (or foreign exchange) risk.

The Sub-Fund maintains its accounts in Euro. However, next to the Euro, the Sub-Fund may have significant balances in USD and may engage significantly in the domestic currencies of MFIs' countries. From past experience, fluctuations in currency exchange rates may contribute significantly to the variations in the Net Asset Value of the Sub-Fund.

The Sub-Fund will aggregate the currency risks of its investments and intends to hedge its exposure to the extent possible and commercially feasible. It may also share the exposures with the MFIs. A balance shall be found between the protection of the Sub-Fund's Shareholders and the development interests of the MFIs and their end-clients.

In order to limit its currency risks, the Sub-Fund may deploy the following strategies:

- The Sub-Fund may use financial hedging instruments, such as swaps, futures/forwards and options, if such instruments are available and appropriate in terms of cost and benefits. As described in paragraph "*Capital participation*" of Section 4 "*Investment Policy and Strategies*" of these Sub-Fund Particulars, the Sub-Fund may have to make an equity investment in a service provider in order to gain access to hedging of certain currencies.
- The Sub-Fund will diversify its engagements in different countries and different currencies. This diversification should limit the impact the variation of any single exchange rate will have on the value of its portfolio in Euro;
- The Sub-Fund may have a share of its portfolio in guarantees. As the Sub-Fund commits in hard currency, including in Euro, the currency risk is reduced. This risk is not transferred to the MFI when the latter obtains a credit from a local bank in domestic currency;
- The Sub-Fund may envisage for its non-Euro engagements contractual provisions that share out currency risk between the Sub-Fund and the MFI or a third party willing to take on such risk;

The AIFM may decide to use other risk management strategies, if such strategies are deemed more appropriate to the currency risks the Sub-Fund is exposed to.

The Sub-Fund may invest in capital participations. This type of engagement is open-ended, in MFI domestic currencies and is by nature difficult to hedge.

14.3. Country risk

Country risk is generally understood as a risk that emanates from the country-specific operating environment of the MFI (in contrast to counterparty risk, which emanates from the MFI itself). The Sub-Fund, as it engages with counterparts in developing countries, does face some peculiar risks. These are often countries with fragile political and social institutions, weak property rights, inadequate legal and judicial systems, susceptibility to political upheavals, economic or financial crises, and natural disasters.

Furthermore, future modifications to the legal environment or to foreign exchange and capital transfer regulations subsequent to an investment may render the repatriation of funds challenging. In such case, the Sub-Fund will bear the associated costs and losses.

To limit its exposure, the Sub-Fund will avoid operating in areas engaged in armed conflict. To diversify its risks, the Sub-Fund will aim to limit its total engagement towards a single country to a maximum of 15% of its Net Asset Value. The Sub-Fund may consider the insurance of country risk on a case by case basis.

14.4. Liquidity risk

Potential Investors in the Sub-Fund should be specifically aware that the Sub-Fund invests a majority of its assets in illiquid, held-to maturity instruments and equity participations with uncertain exit timing. The Sub-Fund intends to limit liquidity risks through a liquidity reserve amounting to 10% of its net assets and through credit lines it may negotiate with third parties. However, no guarantee can be given that the Sub-Fund will be able, at each Valuation Day, to honour all redemption requests.

In exceptional circumstances, the Fund may establish a segregated sub-portfolio (a **“Side Pocket”**) to isolate assets that have become illiquid, are difficult to value, or are otherwise impaired.

Interests in the Side Pocket shall be allocated exclusively to Shareholders who are invested in the Sub-Fund at the time the Side Pocket is created.

No subscriptions or redemptions shall be permitted in respect of the Side Pocket.

The main portfolio of the Fund shall continue to operate in the ordinary course, with its NAV calculated excluding the assets transferred to the Side Pocket.

Assets held in the Side Pocket shall be liquidated as and when market conditions permit, and any proceeds from such liquidation shall be distributed solely to the relevant Shareholders.

The creation and operation of any Side Pocket shall be conducted in accordance with applicable Luxembourg laws and regulations, and Shareholders shall be duly notified of any such event.

14.5.Operational risk

The Sub-Fund aims to establish controls, rules and procedures to limit operational risks. These range from co-signature requirements for important decisions to the minimum length for the storage of records, from the safeguard of electronic data to the physical security of its offices.

In addition to these self-governing rules, the Sub-Fund will define its relations with its external partners (AIFM, Depositary and Administrative Agent, investment advisers, distributors, etc.) in contractual agreements. These documents shall establish the respective tasks and obligations of the Sub-Fund's partners and fix their modes of interaction with the Sub-Fund.

The AIFM will carry out regular, pre-announced and non pre-announced, control visits to the Fund's offices. The external audit of its activities and accounts will be entrusted to an internationally renowned audit company.

It should be kept in mind that despite the best governance rules and procedures, and despite the best compliance, some residual operational risk will always remain.

14.6.Risks linked to investment in other UCIs

The investment by the Sub-Fund in target UCIs may result in a duplication of some costs and expenses which will be charged to the Sub-Fund, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees,

depository bank fees, auditing and other related costs. For Shareholders of the Sub-Fund, the accumulation of these costs may cause higher costs and expenses than the costs and expenses that would have been charged to the Sub-Fund if the latter had invested directly.

14.7. Risks linked to the valuation of illiquid and unlisted investments

Financial instruments which are traded on a regulated market allow for measurement of their fair value through the availability of prices of recent transactions. Non-quoted, non-standardized instruments necessitate more effort to determine a probable realization value in the absence of transactions in the immediate past. The Sub-Fund will consider the use of three commonly accepted valuation methodologies: the income, market, and cost approaches.

The income approach measures the value of an underlying investment by the present value of its future economic benefits. Indications of fair value are developed by capitalizing current benefits or discounting prospective cash flows to their present value at a rate of return that appropriately reflects the inherent risk of that particular underlying investment.

The market approach arrives at an indication of fair value by drawing upon comparable investments that have been recently executed in arm's-length transactions. The market data is then adjusted for any significant differences, to the extent known, between the identified comparable investment and the Sub-Fund's investment.

The cost approach considers reproduction or replacement cost as an indicator of fair value. The approach is based on the assumption that a prudent investor would pay no more for an investment than the amount for which he could replace or re-create it.

The use of any of these three methodologies depends on the availability of relevant information. The current microfinance industry is characterized by scarcity of information with regards to reliable and accessible market information. Only a few microfinance initial public offerings have taken place so far. A secondary market for investments is unorganized and a majority of transactions are private placements.

It is important to note that no single one of the three valuation methodologies will yield a definitive determination of fair value as each underlying investment involves unique factors. The Sub-Fund aims to use, wherever feasible based on the information available, more than one methodology. The valuation process requires the objective analysis of data, the application of experienced judgment, and discussion with the MFIs management to yield a reasonable conclusion.

There is however no certainty that the valuation derived from using such methodologies equals the value the Sub-Fund will realize when its investments are sold.

14.8. Integration and Impact of Sustainability Risk

The Sub-Fund's investments may be subject to Sustainability Risks (hereafter referred to as "**Sustainability Risks**"). Sustainability Risks are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the Sub-Fund's investments. Specific Sustainability Risks can vary for each product and asset class. Such risks are further described hereunder:

- (i) **Environmental Risk:** The risk posed by the exposure to issuers that may potentially be (a) causing or affected by environmental degradation and/or depletion of natural resources or (b) negatively affected by the physical impacts of climate change. Environmental risks may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, loss of biodiversity or damages to ecosystems, extreme weather events such as storms, floods, droughts, fires or heatwaves, changing rainfall patterns, rising sea levels and ocean acidification.
- (ii) **Social Risk:** The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labour standards, human rights violations, damage to public health, data privacy breaches, or increased inequalities.
- (iii) **Governance Risk:** The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence.

a. Integration of Sustainability Risks into the Sub-Fund's investment decisions

Key potential sustainability risks are monitored, via appropriate due diligence conducted during the investment process, through the ALINUS or other appropriate tools as per the Fund's SFDR Reporting Policy, and presented to the Investment Committee.

Investments will be approved by the AIFM after due consideration of the level of the relevant Sustainability Risks and of mitigating factors that have been put in place and which are available on the Fund's website.

b. Result of the likely impacts of Sustainability Risks on the return of the Sub-Fund

Although certain key risk factors, notably governance, may have a substantial effect on individual assets, the Sub-Fund investment restrictions, implying a diversification of the portfolio, limit the potential impact on returns faced by the portfolio as a whole. Sustainability risks are therefore not anticipated to have a material negative impact on the financial returns of the Sub-Fund.

Forestry and Climate Change Fund

Information contained in these Sub-Fund Particulars should be read in conjunction with the full text of the Prospectus dated June 2026.

Before making an investment in a relevant Class of Shares of the Sub-Fund (as defined below), investors should consider carefully the information contained in the Prospectus and, as applicable for such Class of Shares, the Key Information Document (a "**KID**"). The KID is drawn up in accordance with rules provided in the PRIIPs Regulation and provided to each investor subscribing to Class J Shares (as described hereinafter) in order to help investors understand the nature and the risks of investing in the Sub-Fund. For the avoidance of doubt, Class I Shares (as described hereinafter) are solely advised on, offered to or sold to "professional investors" (as defined under MiFID II) and, as a consequence, no KID drawn up in accordance with rules provided in the PRIIPs Regulation shall be issued for such Class I Shares.

Definitions

Actualisation Interest		has the meaning set out under section 10.4 of these Sub-Fund Particulars.
Administration Provider	Functions	has the meaning set out under section 13.1 of these Sub-Fund Particulars.
Advisory Agreement		has the meaning set out under section 13.4 of these Sub-Fund Particulars.
Class I Loss Coverage		has the meaning set out under section 9.1 of these Sub-Fund Particulars.
Class I Investment Period		Has the meaning set out under section 10.4 of the Sub-Funds Particulars.
Class J Investment Period		has the meaning set out under section 10.4 of these Sub-Fund Particulars.
Class J NAV		has the meaning set out under section 9.1 of these Sub-Fund Particulars.
Class J Protected Value		has the meaning set out under section 9.1 of these Sub-Fund Particulars.
Closing		means any date determined by the Board of Directors, on which Commitment Agreements may be accepted by the Board of Directors.
Commitment		has the meaning set out under section 10.2 of these Sub-Funds Particulars

Commitment Agreement	has the meaning set out under section 10.2 of these Sub-Fund Particulars.
Committed Investment Capital	means capital committed to an investment or potential investment in one or several SDF Investment Instruments and as determined by the Investment Committee from time to time in a recommendation to the Board.
Cure Period	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Currency Risks	has the meaning set out under section 12.3 of these Sub-Fund Particulars.
DCF	has the meaning set out under section 12.4 of these Sub-Fund Particulars.
Dealing Date	has the meaning set out under section 9.3 of these Sub-Fund Particulars.
Default Expenses	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Default Interest	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Defaulting Investor	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Default Redeemable Shares	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Drawdown Date	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Drawdown Notice	has the meaning set out under section 10.4 of these Sub-Fund Particulars.
Equalisation Amount	has the meaning set out under section 10.4 of these Sub-Fund Particulars.
FMV	has the meaning set out under section 12.2 of these Sub-Fund Particulars.
First Closing	means the date on which the first duly executed Commitment Agreements will have been received by the Fund.

Final Closing	has the meaning set out under section 10.3 of these Sub-Fund Particulars.
Follow-on Investments	means investments in an asset or project in which the Sub-Fund has already made an investment or in a related asset or project that are appropriate or necessary to preserve, enhance or grow the value of such asset or project.
Forestry Stewardship Council or the FSC	The Forestry Stewardship Council was founded through a collaboration of social, economic and environmental interests to promote environmentally sound, socially beneficial and economically prosperous management of the world's forests.
FSC Principles and Criteria	The FSC Principles and Criteria describe the essential elements or rules of environmentally appropriate, socially beneficial and economically viable forest management.
Greenhouse Gas (GHG)	Gases (including carbon dioxide, water vapour methane and nitrous oxide) that interact with infrared radiation and when present in the atmosphere, have the effect of warming the global climate.
Impairment	has the meaning set out under section 12.3 of these Sub-Fund Particulars.
Invested Capital	means any amount actually invested in a SDF Investment Instrument reduced by any partial disposal, reimbursement, write-off or write-down thereof.
Investment Adviser	has the meaning set out under section 13.4 of these Sub-Fund Particulars.
Investment Advisory Fee	has the meaning set out under section 13.4 of these Sub-Fund Particulars.
Investment Committee	has the meaning set out under section 13.3 of these Sub-Fund Particulars.
Maturity Date	has the meaning set out under section 9.3 of these Sub-Fund Particulars.
Nationally Determined Contributions	Over 160 countries across the globe committed to create a international climate agreement by the

	conclusion of the U.N. Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP21) in Paris in December 2015. These countries have published what post-2020 climate actions they intend to take under a new international agreement, known as their Nationally Determined Contributions (NDCs).
Non-Defaulting Investor	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Noteholder	has the meaning set out under section 9.3 of these Sub-Fund Particulars.
Notes	has the meaning set out under section 9.3 of these Sub-Fund Particulars.
Reallocated Class I NAV	has the meaning set out under section 9.1 of these Sub-Fund Particulars.
Redemption Notice	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
SDF	has the meaning set out under section 2 of these Sub-Fund Particulars.
SDF Investment Instruments	has the meaning set out under section 1.4.3 of these Sub-Fund Particulars.
SFD Regulation	has the meaning set out under section 2 of these Sub-Fund Particulars.
SOFR	means the Secured Overnight Financing Rate
Sub-Fund	Means Forestry and Climate Change Fund.
Subsequent Closing	has the meaning set out under section 10.3 of these Sub-Fund Particulars.
Subsequent Closing Investor	means Investors which have entered into a Commitment Agreement or which have increased their Commitment at a Subsequent Closing.
Sustainability Risks	has the meaning set out under section 14.7 of these Sub-Fund Particulars.
TAP	has the meaning set out under section 3 of these Sub-Fund Particulars.

TAP Technical Committee	has the meaning set out under section 6.1 of these Sub-Fund Particulars.
Target Countries	has the meaning set out under section 4.1 of these Sub-Fund Particulars.
Term	has the meaning set out under section 8 of these Sub-Fund Particulars.
Total Commitments	has the meaning set out under section 10.2 of these Sub-Fund Particulars.
Undrawn Commitment	means the amount of a Shareholder's Commitment which the Board of Directors is still entitled to drawdown pursuant to the Commitment Agreement and the Prospectus.
Valuation Day	has the meaning set out under section 12 of these Sub-Fund Particulars.

1. Name of the Sub-Fund

Forestry and Climate Change Fund (hereinafter referred to in these Sub-Fund Particulars as the "**Sub-Fund**").

2. Investment Objectives of the Sub-Fund

The objective of the Sub-Fund is to make sustainable investment within the meaning of article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**SFD Regulation**") by investing in a diversified portfolio of unlisted forestry management companies and forestry management operations of secondary and degraded forests ("**SDF**") by financing such entities via SDF Investment Instruments. The Sub-Fund aims at generating financial returns for the Shareholders of the Sub-Fund, aligned to different risk and return profiles of its investments in debt and equity. The Sub-Fund aims at protecting and restoring the biodiversity and ecosystems (namely through sustainable forest management, including practices and uses of forests and land use that contribute to enhancing biodiversity or to halting or preventing degradation of ecosystems, deforestation and habitat loss) and also seeks an environmental impact and in particular the mitigation of climate change through the sequestration and preservation of carbon in forest biomass. The Sub-Fund balances economic considerations with forestry management models adapted to the different ecological conditions of SDF to ensure the long-term sustainability of its interventions. The Sub-Fund aims at financing and developing entrepreneurial activities in the forestry sector and as such it will not acquire directly forests or land.

The actions of the Sub-Fund should contribute to climate change mitigation, adaptation to the consequences of climate change, the preservation of soil, the functioning of the hydrological cycle and the harbouring of biodiversity as well as strengthening local communities through increasing employment and self-employment opportunities.

The Sub-Fund is aligned with the objectives of the Paris Agreement and supports Nationally Determined Contributions in investee geographies, to which it contributes in the following regards:

- i. providing new forest management concepts that will reduce Greenhouse Gas ("GHG") emissions of the land use sector;
- ii. by providing proof-of-concept through its investments and increase national capacities for the implementation of these new concepts; and
- iii. by accounting for all GHG sequestration within its scope of activities.

No index has been designated since the Sub-Fund's investment model is not comparable to any existing index. To monitor the social and environmental performance of the Sub-Fund, reporting is provided on metrics pertaining to the three core areas of impact of the Sub-Fund (i.e. (i) natural capital, (ii) fair and inclusive value chains, (iii) socioeconomic opportunities and livelihoods) on a semi-annual basis.

3. Background

In October 2016, the Paris Agreement under the United Nations Framework Convention on Climate Change has entered into force calling for global and ambitious effort to combat climate change and adapt to its effects. The Paris Agreement's central aim is to keep global temperature rise well below 2 degrees Celsius compared to pre-industrial levels. It also calls for the mobilization of financing for the transition to a low carbon economy and climate-resilient development.

Tropical and subtropical forests play an important role in climate change. About one quarter of all carbon of the Earth's terrestrial biomass is stored in tropical and subtropical forests (UNEP). Deforestation and forest degradation contributes significantly to global greenhouse gas emissions. The Intergovernmental Panel on Climate Change (IPCC) estimated in their Fifth Assessment Report that forestry and other land use contributes 11% of annual anthropogenic greenhouse gas emissions. The share of deforestation and agricultural sectors often constitutes the majority of emissions in tropical countries with high deforestation rates. In Nicaragua 82% of all greenhouse gas emissions in 2012 were caused by deforestation, forest degradation and the agricultural sector (World Resources Institute).

The New York Declaration on Forests called in 2014 to halve deforestation by 2020 and end it by 2030. The UN Reducing Emissions from Deforestation and Forest Degradation Programme (REDD+) recognizes the importance of forests for carbon sequestration.

Forests also provide numerous eco-system services and are generally considered an essential element for sustainable and healthy landscapes. Deforestation and other forms of land degradation are a source of significant international concern. The Bonn Challenge calls for the restoration of 150 million of the world's deforested and degraded lands by 2020 and 350 million hectares by 2030. Regional initiatives such as the 20x20 Initiative (restoration of 20 million hectares of degraded land by 2020 in Latin America) have translated an ambitious global agenda into national and sub-national objectives.

A particular aspect of the global forest landscape is the emergence of large areas of degraded and secondary forests. Secondary forests are forests which have been subject to significant disturbance, mostly caused by humans. The advance of agricultural frontiers in many tropical countries during the second half of the 20th century has left behind abandoned agricultural or pasture land. Secondary forests are forests which have regrown naturally on previously deforested land. Degraded forests are forests which have been subject to unsustainable exploitation over some period of time when the extraction and damage to the forest exceeds its natural capacity to regenerate.

The UN Food and Agricultural Organization (FAO) estimates that 74% of all forests worldwide are other naturally regenerated forests. The International Tropical Timber Organization (ITTO) estimates that at least 850 million hectares of degraded and secondary forests exist in the tropics.

Whereas mature natural forests have reached an equilibrium and do not produce significant amounts of additional biomass, secondary and degraded forests are young and growing forests which store substantial amounts of carbon in their biomass over time. Enabling the growth of these types of forests has a particularly large positive climate change mitigation impact.

The Forestry and Climate Change Fund's aim is to identify, develop and scale business models which create economic value for secondary and degraded forests. The creation of income generating opportunities for local landowners from their forest will change the dynamics of deforestation and allow the secondary and degraded forests to grow. Sustainable management and harvesting of timber resources will generate income for shareholders, forest owners and local communities.

A Technical Assistance Programme ("**TAP**") has been structured alongside the Sub-Fund and funded by the Luxembourg Development Cooperation. The TAP's objectives are to identify and support local forest management entities potentially eligible for an investment by the Sub-Fund. The TAP finances concept notes, pre-feasibility studies and investment proposals in view of future investments, as well as capacity building alongside the Sub-Fund's financial investments.

4. Investment Policy and Strategies

4.1. Geographical Scope

The Sub-Fund will invest primarily in Central American countries (the "**Target Countries**") geographically comprised of the region from Southern Mexico to Panama.

4.2. Investment strategy

In order to achieve its objective, the Sub-fund may:

- finance SDF management entities, including companies developing activities based on the management of SDF;
- enter into partnerships with local land-owners controlling SDF;
- refinance intermediate entities engaged in the financing of SDF management; and
- invest in entities active in or developing activities based on the value chain of timber or non-timber forest products derived from SDF, for example entities involved in the transformation and commercialization of timber products.

Part of the economic value creation envisaged by the Sub-Fund is based on a careful selection of investments within a sector which is facing severe financing constraints. Through a focus on the most promising forests, investments should have the potential to be cash-flow positive within five years after the first investment. Criteria defined for the selection of investments are:

- A focus on the sustainable management of secondary and degraded forests in partnership with a variety of landowners (communities, medium sized owners, small forest owners). The Board of Directors intends to have the sustainability of management evidenced through certifications such as Forest Stewardship Council (FSC) certifications. Furthermore the Board of Directors will adopt and apply a set of environmental and social standards;
- A focus on economically sound projects. The Sub-Fund will invest in forestry companies and entities focusing on existing secondary and degraded forests, preferably aged 15 - 20 years so that operations can generate income quickly. The minimum potential size of operations is 1000 hectares, to ensure that overheads and development costs are economically in reasonable proportion to the forestry resources. Such size may often be achieved by grouping together smaller and medium sized forest owners. Forests should also have a species composition which has commercial value in today's markets and these markets should be accessible (distance, road infrastructure) at reasonable costs. Finally, there should be an existing local organizational structure and a certain level of administrative competence; and
- A focus on investments which have the potential for scale and which may serve as examples for others to follow.

The Sub-Fund will not acquire land directly. It will finance entities which enter into partnerships with landowners and communities who have proven tenure or use rights of secondary and degraded forests.

4.3. Investment Instruments

The Sub-Fund may invest in various types of investment instrument appropriate to each individual transaction (the "**SDF Investment Instruments**"), including but not limited to the following:

- Equity or quasi-equity instruments or convertible debt;
- Secured or unsecured senior or sub-ordinated debt instruments; and
- Guarantee or (re-)insurance contracts to reduce project, counterparty, political, natural or currency risks.

The Sub-Fund may invest up to 100% of its net assets in non-listed securities and may control or hold up to 100% interest of a single investment.

The above list of SDF Investment Instruments is illustrative and does not prevent the Sub-Fund from investing in other SDF Investment Instruments such as convertible bonds or redeemable preference shares or equity options in the future. Such instruments can be used either on a stand-alone basis or combined, depending on the needs of the Sub-Fund's considerations.

On an ancillary and temporary basis, the Sub-Fund may hold liquid assets in cash, sight deposits, term deposits, money market instruments or other liquid investments. The Sub-Fund may also invest on an ancillary basis in equity of a provider of local currency hedging solutions, if access to hedging instruments is conditional upon making such investment.

The Sub-Fund may invest in such SDF Investment Instruments indirectly through investment subsidiaries, controlled by the Fund and generally wholly-owned by the Fund, if such structure is deemed by the Investment Committee and the AIFM to be within the best interest of the Sub-Fund, notably to benefit from double taxation treaties. It is intended with a view to optimizing the target return of the Fund, decide to grant loans to investment subsidiaries in order to realise an investment or to acquire debt securities or other securities.

4.4. Currency exposure

The Sub-Fund may invest in local currencies other than the USD (the USD being the reference currency of the Sub-Fund) and take open exposure or contract derivative instruments to reduce or completely eliminate its exposure.

5. Investment Restrictions

The Fund shall generally invest in compliance with the principle of risk diversification in terms of exposure to a same issuer and in terms of geographical allocation.

In particular, the Sub-Fund may not:

- Invest more than 20% of the committed capital in financial instruments issued by the same issuer; nor
- Invest more than 40% of the committed capital in any single country.

5.1 Borrowings and Leverage

Borrowings

The Sub-Fund does not intend to utilize long term cash borrowing for investment purposes, subject to the issuance of Notes to investors, as described under the section "Notes" below. The Sub-Fund shall nonetheless have the power to borrow money on a short-term basis notably for the purposes of bridge financing, cash flow management and expense disbursements.

The Sub-Fund may give any guarantees or pledge any of its assets to secure the potential indebtedness of the Sub-Fund referred to under the above paragraph.

The Sub-Fund intends to issue Notes to investors notably to finance Follow-on Investments. The aggregate nominal value of the issued Notes shall not exceed 30% of the amount of Total Commitments to the Sub-Fund.

Use of leverage

Leverage means any method by which the Sub-Fund's exposure may be increased, whether through the borrowing of cash or of any other assets, via derivatives or by any other means.

For the purpose of calculating the leverage of the Sub-Fund:

Any reference to the "Commitment Method" is to be understood as referring to the commitment method used to calculate the leverage within the meaning of the AIFM Regulation and which allows to take into account netting arrangements, sums the value of all physical positions, the notionals of all derivative instruments, takes into account any leverage generated through securities lending or borrowing and reverse repurchase agreements, but excludes derivatives that are used within hedging arrangements and derivatives that do not generate any incremental leverage.

Any reference to the "Gross Method" is to be understood as referring to the gross method used to calculate the leverage within the meaning of the AIFM Regulation and which does not take into account netting and hedging arrangements, sums the value of all physical positions, the notionals of all derivative instruments, takes into account any leverage generated through securities lending or borrowing and reverse

repurchase agreements, but excludes cash & cash equivalents held in the base currency of the Sub-Fund.

At the date of this Prospectus, the expected maximum level of leverage for the Sub-Fund under the "Commitment Method" is 200% and the expected maximum level of leverage under the "Gross Method" is 200%.

Investors should note that the maximum level of leverage set out above in respect of the Sub-Fund is provided in accordance with the requirement of section 2 of the AIFM Regulation.

The effective level of leverage of the Sub-Fund is available upon request of Shareholders at the registered office of the Fund.

5.2 Environmental and Social Standards

The Sub-Fund will be subject to internal rules as to the respect of environmental and social standards. Such standards shall typically consider factors such as: (a) the principle of sustainability of the forest management approaches eligible for financing and potential external certification process thereon, (b) the consultation and consent process with local communities and (c) the application of appropriate health and safety standards and decent work and working conditions by investees.

5.3 Techniques and Instruments

For the purposes of mitigating the risks arising from its investment strategies, the Sub-Fund may further invest in (a) derivative instruments, including currency, country or interest rate hedging instruments such as debt swaps, forward or option contracts and similar risk management derivatives and (b) guarantees, insurances or re-insurance contracts to reduce project, political, natural or currency risks, within the limits set forth in Appendix I "*Special Investment and Hedging Techniques and Instruments*".

6. Investment identification and monitoring procedure

6.1 Identification of investment and due diligence process

The investment process relies on an efficient collaboration between the Sub-Fund and the Technical Assistance Programme (**TAP**) with Lux-Development SA as administrator. The TAP works through a five-year three-step process which started at the end of 2015, involving the Sub-Fund's investment adviser, Unique Land Use GmbH ("**Unique**") based in Freiburg, Germany, Lux-Development S.A., a group of regional consultants with diverse technical skills and the Sub-Fund's management. The TAP is governed by a Steering Committee including the Luxembourg Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade - Development Cooperation Directorate, Lux-Development S.A. and the Sub-Fund. The Steering Committee is assisted by a technical committee (the "**TAP Technical Committee**") taking decisions on SDF projects.

- Step 1 - Concept Notes

Concept Notes are formulated by the project promoter and document the main features of the projects for an initial discussion and screening.

- Step 2 - Pre-feasibility studies

Pre-feasibility studies are conducted by Unique, the Investment Adviser, once a concept note is approved by the TAP Technical Committee. Pre-feasibility studies include a sampling of degraded or secondary forest, description of the legal and regulatory environment, the land tenure, the silvicultural concept, business model, market prices, market access and commercialization, organization and legal form of the management entity and landowner, financial analysis (including a return estimate), impact analysis and description of the investment instrument.

- Step 3 - Feasibility studies and investment proposals

The feasibility study is conducted by Unique. The analysis expands in depth each of the dimensions of the pre-feasibility study. The output of this phase is a detailed investment proposal formulated by Unique, outlining the main risks and opportunities of the project, and submitted to the Sub-Fund's Investment Committee.

The work of the TAP after the feasibility study focuses on the improvement of weaknesses identified during the process through training, capacity building and technical assistance.

- Additional Step – Third party due diligence

Depending on the project, the Sub-Fund may contract an independent entity or consultant to conduct additional due diligence on the investment proposal. This step is not financed by the TAP and is performed under the sole responsibility of the Sub-Fund.

- Alternative Route for young investees

In case the investee is a young company with a limited or no track-record, the Fund may deploy a small amount of venture capital to start operations, often in combination with grant funding from the Technical Assistance Programme. The decision to invest higher amounts is based on a business plan established by the investee and reviewed by Unique in a feasibility study similar to step 3 above.

6.2 Monitoring process

The monitoring process is an essential element in the investment strategy of the Sub-Fund. Close follow-up of investments is important to ensure that entities are properly managed and fulfil their business objectives. The Sub-Fund's Administration Functions Provider may be involved in the governance of investments and represent the Sub-Funds interests. An independent monitoring process is led by the Sub-Fund's

Investment Adviser. During the Class J Investment Period, the Investment Adviser will normally visit each investment twice per year and follow key performance indicators regularly. After the end of the Class J Investment Period, the Investment Adviser may reduce the number of visits to one per year. The monitoring process is documented in a portfolio monitoring report submitted to the Sub-Fund every six months.

6.3 Alignment with the Taxonomy Regulation

The Sub-Fund makes “sustainable investment” within the meaning of article 9 of the SFD Regulation and substantially contributes to climate change mitigation as defined by the Taxonomy Regulation: The Sub-Fund’s investments contribute to strengthening land carbon sinks, including through avoiding deforestation and forest degradation, restoration of forests, sustainable management and restoration of croplands, grasslands and wetlands, afforestation, and regenerative agriculture.

As described in section "*Background*" and section "*Investment Policy and Strategies*" of these Sub-Fund Particulars, all investments are assessed and measured against the objectives of protecting and restoring ecosystems through the sustainable management of SDF. The restoration of SDF will also lead to the storage of significant amounts of carbon in their biomass over time and contribute to mitigating climate change. Each investment is assessed against these objectives and expected and actual outcomes are measured over the investment lifetime. The Sub-Fund uses internally developed methodologies aligned with the guidelines of IPCC.

The Sub-Fund also invests in the protection and restoration of biodiversity and ecosystems. The Sub-Fund’s investments contribute to sustainable forest management, including practices and uses of forests and forest land that contribute to enhancing biodiversity or to halting or preventing degradation of ecosystems, deforestation and habitat loss.

At the date of this Prospectus, it is however not yet possible to commit to the Sub-Fund’s minimum alignment with the Taxonomy Regulation, as the AIFM is currently not in a position to accurately determine to what extent the Sub-Fund’s investments are in taxonomy-aligned environmentally sustainable activities.

The alignment of the Sub-Fund’s investment to the protection and restoration of biodiversity and ecosystems will be updated and further completed once a taxonomy for this environmental objective has been developed and the taxonomy-related regulatory technical standards under the SFD Regulation become applicable.

7. Investment – Reinvestment - Follow-on Investment

The Sub-Fund will select and acquire investments during the Class J Investment Period. The Sub-Fund may liquidate investments at any time and reinvest the proceeds during the Class J Investment Period. The Sub-Fund will not be allowed to draw Commitments in order to make new investments after the end of the Class J Investment Period.

The Sub-Fund shall be entitled to make Follow-on Investments, notably using the proceeds of the Note issuances, even after the end of the Class J Investment Period.

8. Duration

The Sub-Fund is established for a period of 15 years from the First Closing (the "**Term**").

9. Securities to be issued by the Sub-Fund

The Sub-Fund presents a diversified and differentiated capital structure, encompassing the public sector, private institutions and private individuals.

Two Classes of Shares are currently offered in the Sub-Fund, namely Class I Shares and Class J Shares, each targeting different types of Investors, reflecting a different level of risk. In addition, the Sub-Fund may issue Notes. The two Classes of Shares and the Notes form one single portfolio for investment.

The Board of Directors may issue additional share classes and/or Notes with different risk and/or return characteristics at its sole discretion during the Term, in which case these Sub-Fund Particulars shall be updated accordingly.

9.1 Share Classes Risk profile

The two Classes of Shares offered at the date of this Prospectus correspond to a different level of risk as Class I Shares are subordinated to Class J Shares for which they provide risk coverage.

The risk coverage provided by Class I Shares will be structured as a capital protection mechanism whereby the net loss of Class J Shares (i.e. decrease of the Net Asset Value of Class J Shares ("**Class J NAV**") below the sum of the subscription price of each Class J Share (the "**Class J Protected Value**") shall be covered by Class I Shares by allocating to Class J Shares as at each Valuation Day a portion of the Net Asset Value otherwise attributable to Class I Shares ("**Reallocated Class I NAV**"), until the Class J NAV becomes equal to the Class J Protected Value or Class I NAV becomes nil. Such mechanism will be applied as at each Valuation Day. An account will be maintained of the total re-allocation of NAV from Class I Shares to Class J Shares ("**Class I Loss Coverage**"). As at each Valuation Day, if (i) the Class J NAV is greater than the Class J Protected Value and greater than the Class J NAV as at the previous Valuation Day; and (ii) Class I Loss Coverage is not nil, 50% of the amount of the difference between the Class J NAV and the Class J NAV at the previous Valuation Day, adjusted for subscription or redemptions of Class J Shares, shall be restored to Class I Shares as at such Valuation Day. Such mechanism shall be applied at each Valuation Day until the Class I Loss Coverage is nil.

9.2 Share Class features

Class I Shares features

- Eligible Investors Public investors seeking a developmental impact and wanting to leverage their investment with resources from the private sector.
- Denomination currency USD.
- Initial subscription price USD 100 per Share.
- Redemption Not redeemable at the request of the Shareholder.
- Transferability Subject to Board of Directors' approval.
- Risk profile Junior (as further described hereinabove in sub-section "*Risk Profile*" of section "Share Classes" of these Sub-Fund Particulars).

Class J Shares features

- Eligible Investors Foundations, development finance institutions, other institutional investors and high net worth individuals.
- Denomination currency USD.
- Initial subscription price USD 100 per Share.
- Redemption Not redeemable at the request of the Shareholder.
- Transferability Subject to Board of Directors' approval.
- Risk profile Senior (as further described hereinabove in paragraphs "*Risk Profile*" of section "Share Classes" of these Sub-Fund Particulars).
- HNWI minimum Commitment High net worth individuals may subscribe for Class J Shares, subject to a minimum Commitment of USD 200,000.-.

9.3 Notes features

The Sub-Fund may issue notes (the "**Notes**") having the following characteristics:

- Reference Currency USD.
- Subscribers High net worth individuals or institutional investors.
- Nominal Value per Note USD 1,000.-.

- **Issuance** The Notes may be issued by the Sub-Fund at the discretion of the Board of Directors.
- **Tranches** Notes may be issued in various tranches bearing a different interest, either fixed or variable, as detailed below.
- **Maturity** The Notes will have a maturity of eight (8) years from their date of issuance (the "**Maturity Date**").
- **Early Redemption** The Notes may be redeemed at the maturity of each Tranche of Notes every 6 months during two years preceding the Maturity Date (each a "**Dealing Date**") after receipt by the Board of Directors of a completed redemption request from the relevant noteholder (the "**Noteholder**") at least 10 Business Days prior to a Dealing Date.

The Board of Directors may also compulsorily, at its sole discretion, redeem all or part of the Notes on a *pro rata* basis within a same Tranche at any time before the Maturity Date.

- **Interest** The Interest shall be either a fixed rate or a floating rate of *6 months* SOFR plus a spread which may vary from 1% to 2% depending on the Tranches.
- **Seniority** Any Noteholder has a senior rank to any Shareholder, and a junior rank to any other creditor of the Sub-Fund.
- **Ratio to Shares** The aggregate nominal value of the issued Notes shall not exceed 30% of the amount of Total Commitments to the Sub-Fund.
- **Limited Recourse** Claims against the Sub-Fund by Noteholders and each other creditor relating to such Notes will be limited to the proceeds of such Notes, subject to the Sub-Fund not becoming insolvent as a result of any payment made by the Sub-Fund pursuant to a claim.
- **Non-petition** No Noteholder will be able to petition for the proceeds of the liquidation of the Sub-Fund.
- **Transferability** Notes may only be transferred upon prior written approval of the Board of Directors.
- **Governing law** The issuance of Notes shall be made in accordance with Luxembourg law.
- **Interest Payments Annually.**

10. Shares – Dealing Process

10.1 Target Size

The Sub-Fund aims to gather Total Commitments for an amount of USD 15-20 million. For the avoidance of doubt, the Board of Directors shall have discretion to accept Commitments above such target size.

10.2 Commitments

Investors shall invest in the Sub-Fund on the basis of commitments to subscribe for Shares (the "**Commitments**") as set out below, the sum of all Commitments being the "**Total Commitments**".

By entering into a commitment agreement (the "**Commitment Agreement**"), each investor commits irrevocably to meet the capital calls of the Board of Directors within the limits of the amount of its Commitment and to comply with the other provisions of the Prospectus, these Sub-Fund Particulars, the Articles and its Commitment Agreement. Any delay or default of payment will be penalized in accordance with sub-section "*Default on Drawdown*" of these Sub-Fund Particulars.

The Board of Directors is entitled to refuse, at its sole discretion, any request or commitment to subscribe for Shares. The Board of Directors shall have the power to impose such restrictions or measures as it may think necessary in order to avoid that any Share be acquired or held by (a) any person in breach of the laws and requirements of any country or governmental authority (including Luxembourg) or (b) any person in circumstances which in the opinion of the Board of Directors might result in the Sub-Fund incurring any liability to taxation or suffering any pecuniary disadvantage which it might not otherwise have incurred or suffered.

10.3 Closings

First Closing

The First Closing was held on 20 October 2017.

Subsequent Closings

After the First Closing and until the Final Closing (as defined below), the Board of Directors or its duly appointed delegate may decide to organise one or more subsequent Closings (each a "**Subsequent Closing**").

Final Closing

The final Closing shall not be later than 18 months after the First Closing (the "**Final Closing**").

10.4 Drawdowns

Each Commitment will be drawn down in several instalments by the Board of Directors for the purpose of making investments, paying expenses, liabilities and obligations relating to the Sub-Fund, including repayment of any outstanding borrowings of the Sub-Fund, the Investment Advisory Fee (as defined hereafter) and other Sub-Fund obligations and liabilities (including for indemnification purposes) and establishing any appropriate reserves.

Class I Investors' Commitments shall be entirely drawn down after the expiration of a four-year period starting on the First Closing (the "**Class I Investment Period**").

The Board of Directors shall draw down Commitments *pro rata* from all Investors within the same Class at the same time based on the aggregate Commitments of that Class of Shares at the time of drawdown. The Board of Directors may however apply different schedules and different amounts for drawdowns with respect to each Class of Shares notably due to the fact that Class I Investors' Commitments and Class J Investors' Commitments are subject to different investment periods.

Class J Investors' Commitments shall be entirely drawn down after the expiration of a five-year period starting on the First Closing (the "**Class J Investment Period**").

For each Drawdown, the Board of Directors must send a notice (the "**Drawdown Notice**") to each relevant Investor at least 20 Business Days before the relevant payment date. However, the Board of Directors shall be entitled to request payment in relation to a drawdown within a shorter notice period whenever specific circumstances justify such a shorter notice period, provided that such notice cannot be shorter than 5 Business Days.

Up to the Final Closing, Shares will be issued at the higher of (i) their respective initial subscription price (as set out in section "*Share Class features*" above) and (ii) the latest known NAV per Shares of the relevant Class. After the Final Closing, Shares will be issued at the latest known NAV per Shares of the relevant Class. For the avoidance of doubt, the Board of Directors may adjust the latest known NAV to account for any significant changes having occurred since the calculation of such NAV per Share, or decide the calculation of an ad hoc NAV per Share for the purpose of an issuance of Shares.

Investors having entered into a Commitment Agreement at a Subsequent Closing as well as Investors having increased their Commitment at such Subsequent Closing must make on that Subsequent Closing:

- (i) a first payment equal to (the "**Equalisation Amount**"):

$$\left(\frac{A}{B}\right) \times C$$

where

A= the aggregate of all previous drawdowns from all existing Shareholders in the relevant Class

B= aggregate Commitments of the relevant class of Shares at the relevant Subsequent Closing (excluding Commitments accepted at that Closing)

C= the amount of the Commitment entered into by such Subsequent Closing Investor at that Subsequent Closing.

- (ii) an additional payment of an amount equal to four (4%) percent of the Equalisation Amount paid by the such Subsequent Closing Investor (the "**Actualisation Interest**"). Such amount shall be payable to the Sub-Fund and shall be paid in addition to the Commitment of such Subsequent Closing Investor.

10.5 Default on Drawdown

General Conditions

In the event that any Investor fails to advance to the Sub-Fund the portion of its Commitment specified in a Drawdown Notice on or before the date specified therein for such payment to be made (the "**Drawdown Date**"), the Board of Directors may give written notice to such Investor within the following three (3) Business Days specifying that:

- amount outstanding shall bear interest equal to 3-month SOFR plus eight per cent (8%) *per annum* determined as at and occurring as from the Drawdown Date until the date on which such outstanding amount and interest thereon shall have been paid in full to the Sub-Fund and for the benefit thereof (the "**Default Interest**");
- such Investor shall be liable to the Sub-Fund for all costs and expenses incurred by the Sub-Fund in connection with such default (the "**Default Expenses**"); and
- after ten (10) Business Days from the Drawdown Date, the rights of such Investor as referred to under points (i) and (ii) below, as well as its right to receive distributions pursuant to section "*Distribution*", shall be suspended until the date on which such outstanding amount and interest thereon shall have been paid in full to the Sub-Fund.

In such a case, further calls may be made upon the other Investors (up to but not exceeding their respective Undrawn Commitments and *pro rata* to their respective Commitments) and/or the Sub-Fund may borrow to avoid liquidity gaps in accordance with the section "*Borrowings*" in order to make good the shortfall.

If however, the relevant Investor fails to pay in full the outstanding amount, the Default Expenses and the Default Interest accrued thereon, on or before the thirtieth (30th) calendar day following the Drawdown Date (the "**Cure Period**"), the Board of Directors may, without further notice, declare the relevant Investor a "**Defaulting Investor**" by written notice to be sent to the Defaulting Investor and (without prejudice to any other rights and remedies it may have pursuant to any applicable law to recover any damage

incurred by the Sub-Fund) proceed as indicated in sub-sections "*Transfer of the Shares of Defaulting Investors*" and "*Compulsory redemption of the Shares of Defaulting Investors*" below without further notice.

Without prejudice to the foregoing:

- (i) the Defaulting Investor shall no longer be entitled to vote and take any decision under the Prospectus (including the right to request a Shareholders' meeting or a Shareholders written consent thereof, as well as the right to submit a voting proposal to other Shareholders), and its Shares shall not be considered for the purposes of determining the required majorities and quorum under this Prospectus, the Articles and applicable laws and regulations;
- (ii) the Defaulting Investor shall no longer be entitled to participate in the funding of any subsequent investment of the Sub-Fund; and
- (iii) the Defaulting Investor will lose its right to any distribution made or to be made by the Sub-Fund in accordance with the Prospectus and any such distribution rights shall be held by the Sub-Fund on behalf of the purchaser of the relevant Shares, subject to the right of the Board of Directors and the Sub-Fund to deduct therefrom any Default Expenses.

Transfer of the Shares of Defaulting Investors

Each Investor agrees, for the benefit of the Sub-Fund and of the other Investors thereof and for the case that it is declared a Defaulting Investor, to an irrevocable promise to sell (*promesse unilatérale de vente*) all its fully paid Shares (as registered in the register of Shareholders) to any of the other Investors of the Sub-Fund, at a price per Share equal to the lower of:

- thirty per cent (30%) of (x) the subscription price (excluding any Actualisation Interest) paid by the Defaulting Investor upon subscription at the time, reduced by (y) any distribution received by the Defaulting Investor with reference to each Share; and
- thirty per cent (30%) of the Net Asset Value of such Shares on the relevant transfer date;

provided that the aggregate price shall not in any case be lesser than one USD (\$ 1).

The sale process shall be brought to completion in accordance with the following procedure:

- (i) the Board of Directors shall send a written notice of such default to the non-defaulting Investors (each a "**Non-Defaulting Investor**") offering the Shares of the Defaulting Investor on a pro-rata basis to the Non-Defaulting Investors based on their Commitments, and each Non-Defaulting Investor shall then confirm in writing, by registered mail or facsimile, to the Defaulting Investor and

to the Board of Directors, within fourteen (14) Business Days following the date of the notification received from the Board of Directors, their acceptance, or that they decline, to purchase such number of Shares as indicated in the relevant acceptance confirmation;

- (ii) the sale and transfer of the Shares of the Defaulting Investor to the accepting Non-Defaulting Investor(s) shall be completed, and reflected as such by the Board of Directors in the register of the Shareholders pursuant to point (v) below, in proportion to the number of Shares held by each of the Investors confirming their acceptance to purchase the Shares from the Defaulting Investor, it being agreed and understood that by not confirming its (their) acceptance of the purchase, the relevant Investor(s) increase(s) the other Investors' rights for the proportion of Shares which will not be acquired by such Investors on a pro rata basis;
- (iii) the Investors agree that their acceptance to purchase such number of Shares as indicated in the acceptance confirmation shall necessarily imply that the relevant parties or assignee thereof automatically and irrevocably fully and completely assume their pro rata share of the Undrawn Commitments of the Defaulting Investor that remain outstanding towards the Sub-Fund on the relevant transfer date;
- (iv) the purchasing Investor(s) shall pay to the Sub-Fund (pro rata, in respect of their acceptances) an amount equal to the outstanding amount due by the Defaulting Investor (excluding Default Interest and Default Expenses);
- (v) the transfer shall be reflected as such by the Board of Directors in the register of Shareholders only upon receipt by the Sub-Fund of the amount under point (iv) above.

Compulsory redemption of the Shares of Defaulting Investors

All Defaulting Investor's Shares that are not purchased pursuant to the above sub-section "*Transfer of the Shares of Defaulting Investors*" within one hundred and twenty (120) Business Days from the expiration of the Cure Period are subject to a compulsory redemption by the Sub-Fund (the "**Default Redeemable Shares**") in accordance with the following rules and procedure:

- (i) after the expiration of the above 120-Business Day term, the Board of Directors will promptly send a notice (hereinafter called the "**Redemption Notice**") to the Defaulting Investor; the Redemption Notice shall specify the Default Redeemable Shares to be redeemed, the price to be paid, and the date and place where the redemption price shall be payable. The Redemption Notice may be sent to the Defaulting Investor by registered mail to its last known address. The Defaulting Investor shall be obliged, without delay, to deliver to the Sub-Fund any Share certificate or certificates. From the close of business of the day specified in the Redemption Notice, the Defaulting Investor shall cease to be the owner of the Default Redeemable Shares and the relevant Share certificates shall be cancelled; and

- (ii) the redemption price per Share will be calculated pursuant to sub-section "*Transfer of the Shares of Defaulting Investors*" above and will be payable only at the close of the liquidation of the Sub-Fund.

In the event that Shares are held by a Shareholder acting as a feeder vehicle or a financial intermediary for more than one beneficial owner and in the case only one or some of these beneficial owners has defaulted, the Board of Directors reserves the right, upon receipt of satisfactory documentation as to the beneficial ownership of the Shares, to apply the above remedies only to the portion of the shareholding corresponding to the defaulting beneficial owner(s).

10.6 Redemption

The Sub-Fund is a closed-ended sub-fund. Accordingly, Shareholders are not entitled to request redemption of their Shares.

The Board of Directors may however redeem Shares (i) whenever the Sub-Fund is making a distribution, or (ii) on a compulsory basis if a Shareholder (a) is in breach of the law or requirement of any country or governmental authority, (b) entails circumstances which in the opinion of the Board of Directors might result in the Sub-Fund incurring any tax liability or suffering any monetary charge which the Sub-Fund might not otherwise have incurred or suffered from or (c) does not comply or ceases to comply with any provision of the Prospectus, these Sub-Fund Particulars or the Articles.

Whenever the Sub-Fund redeems Shares for the purpose of making a distribution, the redemption price per Share shall be based on the most recent available Net Asset Value per Share of the relevant Class of Shares or the Net Asset Value that the Board of Directors calculates upon the redemption date if the Board of Directors determines that the Net Asset Value of the relevant Class of Shares has increased or decreased materially since the day the most recent available Net Asset Value has been calculated.

In the event of a compulsory redemption, the redemption price per Share will be equal to the latest available Net Asset Value per Share of the relevant Class redeemed and held by the relevant Shareholder, or the Net Asset Value that the Board of Directors may elect to calculate upon the redemption date, less any amount that would be necessary to indemnify and hold harmless the Sub-Fund for any costs or damages incurred by reason of such compulsory redemption. The Board of Directors shall determine at its sole discretion when payment of the redemption price will be due, provided that the payment shall occur at the latest at the date of the last distribution made to the Shareholders after the expiry of the Term of the Sub-Fund. The Sub-Fund may also redeem Shares in the event of a default of payment by a Shareholder in accordance with point (iv) of sub-section "*Default on Drawdown*" of these Sub-Fund Particulars.

The Shares redeemed by the Fund will be cancelled.

10.7 Transfer

Any Transfer of Shares shall be carried out in accordance with Luxembourg law and the Articles, and is subject to the prior approval of the Board of Directors.

11. Distribution

The Board of Directors may decide at its sole discretion to distribute dividends at any time, in accordance with the Prospectus and the Articles, out of realized income derived from the Sub-Fund's investments (for the avoidance of doubt excluding capital gains as a result of the realization of an investment) net of all interest and other sums payable under the Notes, fees and costs of the Sub-Fund.

The Board of Directors intends to make such dividend distributions once a year, as soon as practicable after the date of expiring of the Class J Investment Period.

12. Calculation of Net Asset Value and Valuation of Assets

The NAV in respect of each Share Class of the Sub-Fund shall be calculated on the last calendar day of March and September (each being a "**Valuation Day**").

The NAV is determined as at each Valuation Day in accordance with the principles set forth in the Articles and item 7. "Net Asset Value and Valuation of Assets" of Section I. General Provisions of this Prospectus.

A specific valuation policy has been established, based on the above principles, which is available to investors upon request at the registered office of the AIFM. A summary of such valuation policy is provided below.

The tolerance threshold for NAV calculation errors is defined at 5.0% of NAV.

12.1. Standard of value and valuation policy

The AIFM aims to base the valuation of the SDF Investment Instruments on the probable realisation value which shall be estimated with care and in good faith, in accordance with article 99 (5) of the 2010 Law and the AIFM Rules.

12.2. Fair Market Value (the "**FMV**") valuation methodologies

Financial instruments which are traded on a regulated market allow for measurement of their fair value through the availability of prices of recent transactions. SDF Investment Instruments are non-quoted, non-standardized instruments, and - in the absence of transactions therein in the immediate past - necessitate a valuation approach based on models and judgement to determine a probable realization value.

The choice of the methodology will be driven by the availability of the relevant information. There is no certainty that the FMV determined by the AIFM using its valuation policy is equal to the sales price of an SDF Investment Instrument obtained

in an arm's length transaction with a third party. Please also refer to sub-section "Valuation and Operational risks" of section "Risk Factors and Risk Mitigation" of these Sub-Fund Particulars for details.

12.3. FMV of senior and subordinated debt instruments

SDF Investment Instruments in the form of senior or subordinated debt instruments take the form of a contract between the investee and the Sub-Fund with interest rate, repayment terms, pledges and other covenants negotiated for each transaction. Debt instruments may be backed-up by different forms of collateral, promissory notes or other guarantees.

Debt instruments provide for a certain separation between the value of the SDF Investment Instrument and changes to the value of an investee. The valuation of debt instruments is only indirectly influenced by the valuation of forest assets and the resulting valuation of an investee.

The Sub-Fund strives to negotiate an interest rate which reflects the risks and objectives of the investee while keeping the environmental and social impact objectives of the Sub-Fund in mind. The Sub-Fund will usually hold these loans to maturity.

In view of its objectives, the negotiated interest rate should represent an appropriate yield of the loan so that the nominal value of the loan plus accrued interest represents its fair value. The AIFM needs to assess periodically whether a significant change in the environment, performance or financial position of the investee indicates that the loan instrument is impaired (an "**Impairment**").

To assess Impairments, each investee being a counterparty to a SDF Investment Instrument in the form of debt, is monitored through the reporting of financial, operational data and key performance indicators, review of its activities, audit and other reports. The review specifically covers whether one or more events have occurred which will have a significant impact on the instrument's future cash flows.

If the AIFM concludes that there is evidence that a financial instrument is impaired, it will determine the impairment loss as the amount between the carrying amount (including accrued interest, commissions, where applicable) of the instrument prior to impairment and the probable realizable value. The AIFM usually does not consider any reduction in value in the instruments that results from the depreciation of the investment currency vis-à-vis the US Dollar ("**Currency Risks**") to be an Impairment, such reduction being accounted for as a realized or unrealized exchange loss.

The Sub-Fund may grant loans in US Dollar or the currencies of the Target Countries. In case the Sub-Fund contracts currency hedging instruments for SDF Investment Instruments in the form of debt, these are valued separately from the underlying loans. However, cross-currency swaps and currency forwards which are linked in notional, spot exchange rates, interest rates, maturities and other terms to any SDF Investment Instrument are valued considering the economic substance of the transaction. Such swaps and forwards are valued as at any Valuation Day using the spot exchange rate

on the principal and accrued interest and not the forward curve to align the valuation to the approach for loans to counterparties described above.

Such valuation approach is changed if a credit risk materializes in the form of an Impairment. The part of the swap or forward notional then exceeding the valuation of the underlying loan is valued using a marked-to-market approach. Any material difference between the spot rate at which the swap or forward was contracted and the spot rate at which the loan was disbursed is amortized over the period until expiry of the swap or forward and recognized as interest income or expense.

12.4.FMV of equity and quasi-equity instruments

SDF Investment Instruments may take the form of equity participations in investees. The AIFM may use different FMV methodologies in determining the fair value of the equity participation instruments:

- (i) Following the Sub-Fund's acquisition and up to the first year of holding, the equity stake will be valued at cost, i.e. at the Sub-Fund's acquisition price and without acquisition costs. A different valuation approach will be taken if material changes in the investee or in its operating environment occur during the first year following acquisition;
- (ii) After the first year of holding, the value of the equity stake will be estimated with reference to prices of equity transactions or issues of new shares involving the same investee within a reasonable time of the Valuation Day. Such time is determined by an assessment by the AIFM as to whether material changes within the investee or in its operating environment have occurred since the date such transaction took place;
- (iii) If such transactions are not available or deemed not representative of fair value, the value of the equity stake should be estimated based on an income approach, using a discounted cash-flow model ("**DCF**"). The use of a DCF model requires the application of judgement and DCF models are likely to be sensitive to a number of critical variables:
 - a. Harvesting plans and volumes that rely on forest inventories, the effects of silvicultural work and the growth rates of marketable timber species or comparable key business plan assumptions for investees active in the transformation of timber;
 - b. Operational cost estimates which can be derived from the investees ongoing operations or from comparable companies operating in the same region;
 - c. Timber and non-timber forest product market prices, which may vary depending on the quality, diameter of timber, the distance to market and might require appropriate adjustments;
 - d. The discount rate with which cash-flows are discounted to their net present value and which are influenced by country, currency, industry and investee specific risks.

Whenever possible, valuations derived using one of the above methods are cross-checked by industry ratios contained in comparable transactions and ratios obtained from comparable quoted companies, if and when such data is available or become available in the future.

12.5.FMV of other assets

The value of the assets referred to under (c), (d), (e) and (g) of sub-section 7.2 "Valuation of Assets" of item 7. "Net Asset Value and Valuation Assets" of Section I. General Provisions of this Prospectus should be determined in accordance with the principles set forth under such sub-section "*Valuation of Assets*" and the Articles.

13.Management Structure of the Sub-Fund

The Board of Directors is responsible for the definition of the investment policy and objectives of the Sub-Fund and of the overall supervision of the Sub-Fund's management. In order to manage the Sub-Fund's Portfolio, the Board of Directors has established an Investment Committee and appointed the AIFM and the Investment Adviser.

13.1.Fund Internal Organisation

As set out in the general part of the Prospectus, the Fund is managed by the Board of Directors which may entrust to one of its members or to a committee composed of several persons who are not necessarily members of the Board of Directors or to another company, including, as the case may be, a subsidiary of the Fund, the Administration Functions (the relevant director, committee or another company entrusted with such functions is herein referred to as the "**Administration Functions Provider**").

As set out in the general part of the Prospectus, the Administration Functions Provider is entitled to receive a fee. With regards to this Sub-Fund, such fee shall be of a maximum of 2% of the Sub-Fund's Total Commitments (each time excluding the Investment Advisory Fee and the AIFM fee). This fee shall cover all of the Administration Functions Provider's costs (including all wages, salaries, bonus and benefits, and in case of an Administration Functions Provider under the form of a legal person, all other operating costs of such legal person).

For the avoidance of doubt, the Sub-Fund shall support its own organizational and operating expenses.

This fee may be paid in cash or, in whole or in part, by the issuance of Shares to the Administration Functions Provider subject to and in the conditions set forth by the remuneration policy of the Fund.

13.2.AIFM

The Board of Directors has appointed the AIFM to perform (i) the portfolio management of the Sub-Fund and (ii) the risk management in accordance with the AIFM Directive, section I General Provision of this Prospectus, and the Sub-Fund Particulars.

The Sub-Fund will pay the AIFM a fee (the "**AIFM Fee**") of up to 0.08% of the Sub-Fund's Net Asset Value p.a. The AIFM's Fee is subject to an annual minimum fee of EUR 20,000.

13.3. Investment Committee

The Board of Directors shall set up an investment committee consisting of (i) representatives of Investors in the Sub-Fund, (ii) sector experts and (iii) Directors of the Fund and (iv) a representative of the AIFM (the "**Investment Committee**"). The representatives of Investors, the sector experts and the Directors of the Fund will have voting rights, whereas the representative of the AIFM will attend in an observation and advisory role and will have no voting rights. The representative of the AIFM will not form part of any quorum required to validate any meeting of the Investment Committee.

It will review and advise on all matters submitted to it by the Board of Directors (or by the Investment Adviser) and/or the AIFM (at their respective discretion) relating to acquisition and disposal of investments. The Investment Committee shall have no veto right.

According to the terms of reference of the Investment Committee, decisions relating to the acquisition and disposal of investments as well as all other decisions relating to the management of the Sub-Fund's portfolio shall be taken by the AIFM upon recommendation received from the Investment Committee on the basis of a proposal made first by the Investment Adviser. The Investment Committee may require the assistance of third-party service providers for the purpose of performing due diligence analysis of the proposals for investment of the Investment Adviser. Any cost arising from such due diligence process shall be borne by the Sub-Fund.

All recommendations made by the Investment Committee to the AIFM will be made within the limits of the investment policy and objectives of the Sub-Fund, as defined by the Board of Directors.

The terms of reference of the Investment Committee shall be determined by the Board of Directors.

13.4. Investment Adviser

As at the date of the Prospectus, the Sub-Fund has appointed Unique Land Use GmbH's Forest Investment Unit, whose registered office is located at Freiburg, Germany, as "**Investment Adviser**" to provide notably the following services:

- (i) Presentation of investment and divestment proposals to the Investment Committee;

- (ii) Assistance in the negotiation and structuring of investments and identification, negotiation and structuring of divestment opportunities;
- (iii) review, supervision and monitoring of investments and management of the Sub-Fund's relationship with its target investments, including assistance and inputs to the valuation of certain assets;
- (iv) after the Class J Investment Period, close monitoring, negotiation and relations with other investors in case of investments facing significant challenges; and
- (v) representation of the Sub-Fund in relevant international events.

In consideration for its advisory services rendered to the Sub-Fund, the Investment Adviser is entitled to receive a fee (the "**Investment Advisory Fee**") as follows:

- As from the second year following the entering into force of the Advisory Agreement, the Sub-Fund shall pay
 - up to 2.2% p.a. (currently fixed at 2.0% p.a.) of the Committed Investment Capital, computed and payable at the end of each semester; plus
 - during the Class J Investment Period, except for the first year, up to 0.8% of the Committed Investment Capital. The amount of remuneration in excess of 2% of the Committed Investment Capital shall be payable in Class J Shares of the Sub-Fund and contingent on reaching certain performance criteria established by the Board of Directors.
- As from the end of the first year following the end of the Class J Investment Period, the Sub-Fund shall pay the higher of:
 - 1.5% p.a. of the Committed Investment Capital, computed and payable at the end of each semester; or
 - a fixed minimum remuneration of USD 150,000 per annum.

14. Risk Factors and Risk Mitigation

Prospective Investors should consider risks which include, but are not limited to, business risk, natural risk, market and currency risks, political risk, impact and reputational risks, operational risk and risks linked to the valuation of illiquid and unlisted investments. The risks referred to below are not exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice.

14.1. Business risks

The Sub-Fund will invest in entities with limited track record. There is significant risk that these entities will fail to develop successful and scalable business models aligned with the Sub-Fund's impact objectives.

The TAP's work during the pre-investment phase and the extensive process of selection of the projects are important risk mitigation instruments. The TAP will enable a detailed and early identification of strengths and weaknesses of counterparties. The selection process assesses potential investments using criteria for economic and ecological viability. The Sub-Fund is likely to reject a substantial number of projects not meeting such criteria.

14.2.Natural risks

The business of entities in which the Sub-Fund invests relies on timber from SDF exposed to damage from fire, storms, landslides, fungi, pests or volcanos. SDF with diverse species and differentiated age structure may often be more risk resilient compared to even-aged plantations (particularly at a young age). However, damage from such natural events may impact the business prospects of investees.

A rigorous diversification of investments across different regions and countries is a primary risk mitigation tool. Most natural risks tend to have geographically limited impact and hence a diversified portfolio of investments across multiple sites should have a reduced risk profile. SDF also tend to be part of landscape mosaics where for example fire will spread less easily across different parts of the mosaic.

Insurance may be used as further risk mitigation instrument against some natural risks.

14.3.Market and Currency risks

The Sub-Fund is (indirectly) exposed to the risk of timber price volatility and demand trends impacting the ability of investees to effectively market their produce. Depending on the market structure, foreign exchange rate volatility may be a second and direct market risk for the Sub-Fund.

SDF normally contain varieties of species which should form a natural hedge against the price fluctuations of any one species. Harvesting can to some degree be timed to coincide with attractive market conditions or postponed if conditions are less favourable. Conditions in local markets (often the primary markets for many species) differ from conditions in export markets.

Diversification of investments in different countries provides some degree of risk mitigation against foreign exchange movements. Debt denominated in USD or granted with a currency hedge instrument further reduces the risk exposure of the Sub-Fund. Income of Investees denominated and retained in USD from sales of timber forms a natural hedge against foreign currency risks arising from borrowing in USD.

14.4.Risks of illegal timber

The cost structure of operations to produce and market certified, legal timber cannot compete with illegally harvested timber. In many local markets, prices for illegal timber are 30% and more below the price levels of legal timber and lead to lower prices for all market actors. Significant supply of illegal timber would threaten the economic viability of many projects.

In all of the Target Countries, governments are increasing their efforts to combat illegal extraction of timber, usually through strict control of timber transports and exports. A growing number of clients also pay attention to certification and chains of custody which should make the marketing and sale of illegal timber more difficult.

14.5. Political, Regulatory and Country Risks

The forestry sector is a highly regulated sector in all Target Countries. Development of new forestry concepts rely on the interest and goodwill of local and national regulators. These administrations may have no or little interest in supporting such development.

Furthermore, in some countries the evidence of property rights through land registries may be incomplete or insufficient and lead to uncertainty around land tenures. Legal and judicial systems to resolve conflicts may be inadequate.

The Sub-Fund does not intend to acquire land which mitigates a key risk. The TAP's objectives are to interact and dialogue with local forest authorities to reach consensus on new forest management models. Finally, the Sub-Fund may insure its portfolio against certain political risks.

14.6. Valuation and Operational risks

The current climate finance and forestry sector is characterized by a scarcity of reliable and accessible market information. Only few forest entities in tropical countries are quoted on stock exchanges. A secondary market for assets is unorganized and a majority of transactions are private transactions, information on which is never publicly reported. It is important to note that no valuation methodology set forth in Section "*Calculation of the Net Asset Value*" of these Sub-Fund Particulars to calculate the FMV of the Sub-Fund's assets will yield a definitive determination of fair value as each asset involves unique factors. The valuation process requires the objective analysis of data, the application of experienced judgment, and discussion with the Investment Adviser and investees to yield a reasonable conclusion.

Non-quoted, non-standardized financial instruments are not traded on regulated markets. Valuations to determine the probable realization value of assets depend on estimates and assumptions and might be prone to errors. The Sub-Fund may have to use valuation methodologies based on income or cost approaches.

Operational risks are risks that the asset management is not executed correctly and control, fraud and other weaknesses lead to financial losses for the Sub-Fund. The Sub-Fund has established controls, rules and procedures to limit operational and

valuation risks. The Sub-Fund also operates as a regulated structure subject to the segregation of duties.

14.7. Integration and Impact of Sustainability Risks

The Sub-Fund's investments may be subject to Sustainability Risks (hereafter referred to as "**Sustainability Risks**"). Sustainability Risks are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the Sub-Fund's investments. Specific Sustainability Risk can vary for each product and asset class. Such risks are further described hereunder:

- (i) Environmental Risk: The risk posed by the exposure to issuers that may potentially be (a) causing or affected by environmental degradation and/or depletion of natural resources or (b) negatively affected by the physical impacts of climate change. Environmental risks may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, loss of biodiversity or damages to ecosystems, extreme weather events such as storms, floods, droughts, fires or heatwaves, changing rainfall patterns, rising sea levels and ocean acidification (please also refer to natural risks in Section 14.2).
- (ii) Social Risk: The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labour standards, human rights violations, damage to public health, data privacy breaches, or increased inequalities.
- (iii) Governance Risk: The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence.

In particular, the Sub-Fund is exposed to the risk that investees do not comply with social, environmental and governance standards. The activities of the Sub-Fund may not lead to incremental carbon sequestration, reduced deforestation and development of functioning forest eco-systems. Further to these Sustainability Risks, the Sub-Fund is also exposed to measurement risk, whereby its impact is defined and tracked inadequately.

As a consequence of such Sustainability Risks, the Sub-Fund may fail to achieve its theory of change and consequently may not generate the intended impact. A subsidiary key risk would be a lack of suitable projects and insufficient buy-in from local communities. On a project level, social impact risks may threaten viability if local communities are not confident that projects provide long term benefits.

a. Sustainability Risks Mitigation and Integration into the Sub-Fund's investment decisions

During the investment process of the Sub-Fund, key potential Sustainability Risks are categorised on the basis of the level of their potential adverse social and environmental impacts (i.e. significant, limited or minimal impact) and reasons, taking into account the possibly to implement mitigation measures, are presented to the Investment Committee for discussion. More information in this respect may be obtained from www.forestryandclimate.com.

To mitigate the most serious Sustainability Risks, no investments will be made if there is evidence of the following (which, for the avoidance of doubt, are considered to be key risk factors in the forestry sector):

- (i) Important forest conversion or deforestation associated to the project proponent since 1994; the definition of what is considered important is provided by the Principles and Criteria elaborated by the Forestry Stewardship Council (respectively the "**FSC Principles and Criteria**" and the "**FSC**");
- (ii) Unclear land tenure and high risk of conflict over land tenure, potentially involving resettlement;
- (iii) Child labour or forced labour;
- (iv) Important governance risks when investing in communities, including, for example, unresolvable internal conflict; and
- (v) Any illegal activity or violation of national, regional or local rules, regulations or laws.

Given the need for community support with projects, a close dialogue between forest owners, local communities, governments, local and regional institutions, NGOs and management entities has been an integral part of the concept formulation phase and is part of the objectives of the TAP. Incentive schemes such as land-lease, payment for forestry work and profit sharing schemes should also mitigate social risks.

Impact measurement risks are mitigated through the close monitoring of investments, with the support of the Investment Adviser. Impact monitoring includes monitoring of forest area and cover and the identification of unexpected changes. Monitoring of forests close to but not part of the projects may also provide indicators of land-use change and trends in each region. The Sub-Fund applies an Environmental and Social Management System which supports it in the management of all Sustainability Risks.

b. Results of the likely impacts of Sustainability Risks on the return of this Sub-Fund

Considering the applicable policies regarding the integration of the Sustainability Risks and the investment process, it is not anticipated that Sustainability Risks will have a material negative impact on the financial returns of the Sub-Fund. However, natural

risks, as indicated in 14.2, may increase in frequency and magnitude as a result of climate change and this may nevertheless affect the Sub-Fund and its' financial returns.

FEMALE ENTREPRENEURSHIP FUND

Information contained in these Sub-Fund Particulars should be read in conjunction with the full text of the Prospectus dated June 2026.

Classes of Shares in FEF (as described hereinafter) are solely advised on, offered to or sold to “professional investors” (as defined under MiFID II) and, as a consequence, no KID drawn up in accordance with rules provided in the PRIIPs Regulation shall be issued for such Classes of Shares.

Definitions

Actualisation Interest		has the meaning set out under section 10.4 of these Sub-Fund Particulars.
Administration Provider	Functions	has the meaning set out under section 13 of these Sub-Fund Particulars.
Advisory Agreement		has the meaning set out under section 13.2 of these Sub-Fund Particulars.
CENPROMYPE		means Regional Center for the Promotion of Micro, Small and Medium-size enterprises set out under section 3.4 of these Sub-Fund Particulars
Class G Loss Coverage		has the meaning set out under section 9.1 of these Sub-Fund Particulars.
Class H NAV		has the meaning set out under section 9.1 of these Sub-Fund Particulars.
Class H Protected Value		has the meaning set out under section 9.1 of these Sub-Fund Particulars.
Closing		means any date determined by the Board of Directors, on which Commitment Agreements may be accepted by the Board of Directors.
Commitment		has the meaning set out under section 10.2 of these Sub-Funds Particulars
Commitment Agreement		has the meaning set out under section 10.2 of these Sub-Fund Particulars.
Cure Period		has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Currency Risks		has the meaning set out under section 12.3 of these Sub-Fund Particulars.

Default Expenses	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Default Interest	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Defaulting Investor	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Default Redeemable Shares	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Drawdown Date	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Drawdown Notice	has the meaning set out under section 10.4 of these Sub-Fund Particulars.
Equalisation Amount	has the meaning set out under section 10.4 of these Sub-Fund Particulars.
FEF	means the Sub-Fund (i.e. Female Entrepreneurship Fund)
FI	means Financial Institution as set out under section 2 of these Sub-Fund Particulars.
FMV	has the meaning set out under section 12.2 of these Sub-Fund Particulars.
First Closing	means the date on which the first duly executed Commitment Agreements will have been received by the Fund.
Final Closing	has the meaning set out under section 10.3 of these Sub-Fund Particulars.
Impairment	has the meaning set out under section 12.3 of these Sub-Fund Particulars.
Investment	has the meaning set out under section 4.3 of these Sub-Fund Particulars.
Investment Adviser	has the meaning set out under section 13.2 of these Sub-Fund Particulars.
Investment Advisory Fee	has the meaning set out under section 13.2 of these Sub-Fund Particulars.

Investment Committee	has the meaning set out under section 13.1 of these Sub-Fund Particulars.
Investment Period	has the meaning set out under section 10.4 of the Sub-Funds Particulars.
Investor Committee	has the meaning set out under section 13.1 of these Sub-Fund Particulars
MSME	has the meaning set out under section 3.4 of these Sub-Fund Particulars.
MFI	means Microfinance Institution.
Non-Defaulting Investor	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Reallocated Class G NAV	has the meaning set out under section 9.1 of these Sub-Fund Particulars.
Redemption Notice	has the meaning set out under section 10.5 of these Sub-Fund Particulars.
Reference Currency	has the meaning set out under section 14.2 of these Sub-Fund Particulars.
SFD Regulation	has the meaning set out under section 2 of these Sub-Fund Particular
SICA	means Sistema de Integracion Centroamerica or Central American Integration System
SME	has the meaning set out under section 2 of these Sub-Fund Particulars.
Sponsor	means CENPROMYPE.
Sub-Fund	means Female Entrepreneurship Fund.
Subsequent Closing	has the meaning set out under section 10.3 of these Sub-Fund Particulars.
Subsequent Closing Investor	means Investors which have entered into a Commitment Agreement, or which have increased their Commitment at a Subsequent Closing.
Sustainability Risks	has the meaning set out under section 14.7 of these Sub-Fund Particulars.

TAP	means Technical Assistance Programme as set out under section 7 of these Sub-Fund Particulars.
Target Countries	has the meaning set out under section 4.2 of these Sub-Fund Particulars.
Term	has the meaning set out under section 8 of these Sub-Fund Particulars.
Total Commitments	has the meaning set out under section 10.2 of these Sub-Fund Particulars.
Undrawn Commitment	means the amount of a Shareholder's Commitment which the Board of Directors is still entitled to drawdown pursuant to the Commitment Agreement and the Prospectus.
USD or US-Dollar	means the official currency of the United States of America.
Valuation Day	has the meaning set out under section 12 of these Sub-Fund Particulars.

1. Name of the Sub-Fund

Female Entrepreneurship Fund (hereinafter referred to in these Sub-Fund Particulars as “FEF” or “Sub-Fund”).

2. Investment Objectives of the Sub-Fund

The objective of FEF is to make sustainable investment within the meaning of article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “**SFD Regulation**”) by contributing to the financial inclusion of women by improving their access to financial services. FEF invests in mature financial institutions (“**FIs**”) so that these intermediaries improve the provision of services to female entrepreneurs in countries who are member of the Central American Integration System (“**SICA**”), specifically Guatemala, El Salvador, Honduras, Belize, Nicaragua, Costa Rica, Panama, and the Dominican Republic. In pursuance of its objectives, FEF invests principally in debt instruments issued by FIs.

FEF’s investment strategy is aligned to the microfinance and financial inclusion strategies to provide access to quality financial services for excluded individuals and small and medium sized companies in order to foster social and economic development.

FEF has two principal objectives, social and financial. Specifically, increase access to financial services, especially to enhance access to credit for women-led businesses in the SICA region, as well as generate sufficient income to sustain its own operations and give its Shareholders a financial return.

FEF will strive to provide tailor-made and innovative solutions to FIs, coupling its investments with technical support from an associated technical assistance programme. FEF aims to create permanent changes in the underwriting practices by which FIs evaluate the risk of small and medium-size enterprises led by women. The Sub-Fund aims to facilitate positive demonstration effects within financed FIs and from communicating the impact metrics collected by FEF from financed FIs. FEF aims to increase the number and volume of loans and the amount of credit that the financed FIs offer to women-led Small and Medium Enterprises (“**SMEs**”), and that despite such increase, the quality of the loan portfolio of those FIs remain the same (or improve). FEF focuses on niche activities where its participation might help achieve the desired demonstration effect.

Although the definition of SMEs may differ in different Target Countries and among different FIs, the Sub-Fund typically considers enterprises having between 11 and 50 employees as small and between 51 and 200 employees as medium in size.

Women led SMEs are those where the leader or principal decision maker is a woman or where the majority of the ownership is held by women.

No index has been designated since FEF’s investment model is not comparable to any existing index. To monitor the social performance of FEF, the proportion of assets invested in FIs is monitored and reported. The Sub-Fund establishes a series of key performance indicators which are used to monitor the outreach of FEF. FEF does not have a specific environmental objective and is not aligned with the objectives of the Paris Agreement but does take measures (including the adoption of an exclusion list) to ensure no significant harm is caused in this regard.

3. Background

3.1. Financial Services and gender focused financial inclusion

Despite empirical and documented evidence that female entrepreneurs represent a similar or better credit risk than their male counterparts, when it comes to approving loans for small and medium sized enterprises led by women, approval rates of loans for female entrepreneurs are lower than that for men, and furthermore if loans are approved, loan amounts are smaller. Starting a process to change biases and perceptions causing this situation is the objective of FEF.

3.2. Target Financial Intermediaries

The potential investees of FEF will be FIs with different structures, regulatory status and/or legal forms. FIs may include banks, non-banking financial institutions, microfinance institutions (“**MFIs**”), savings and credit unions (“**CAC**”), private non-profit organizations, non-governmental organizations (“**NGOs**”), Fintechs, cooperatives with

an already consolidated credit component, or other local market entities such as accelerators. The most relevant factor for selecting an FI will be its experience in providing credit to SMEs, its financial performance, its financial soundness, and an expressed vocation to address gender inequality. The typical FI financed by the Sub-Fund has reached a mature business model and is financially sustainable.

Regardless of their legal form, all potential investees must have an appropriate structure and experience for granting loans to SMEs and comply with the criteria and standards established by FEF. These selection criteria are listed below and will be intended, on the one hand, to ensure that FEF fulfills its mission of improving the financial inclusion of women in the region, and on the other, to ensure that FEF can accomplish its financial objectives.

A) Impact criteria

A key factor for the success of FEF is the commitment of participating FIs to the objectives of the FEF. Consequently, FEF will take into account, in addition to the products that the FI offers to female entrepreneurs, or whether they maintain a credit portfolio in the Target Countries, the interest rates they charge, experience in developing new products and/or internal processes to better serve this segment. Examples of innovative product features include loans with variable payments depending on the level of sales of the entrepreneurs or which provide insurance for temporary inability to make loan payments during maternity leave or accident insurance for the entrepreneur or a close relative.

FEF will develop key performance indicators (“**KPIs**”) for the development of business skills for the women CEOs that the FI must keep updated to measure the impact of FEF. It will also include KPIs to determine the degree of commitment of the FI related to the issue of female entrepreneurship.

The Sub-Fund may also consider the FI’s own policies and culture to promote gender equality internally and the share of women among their staff, including among senior decision makers.

B) Financial criteria

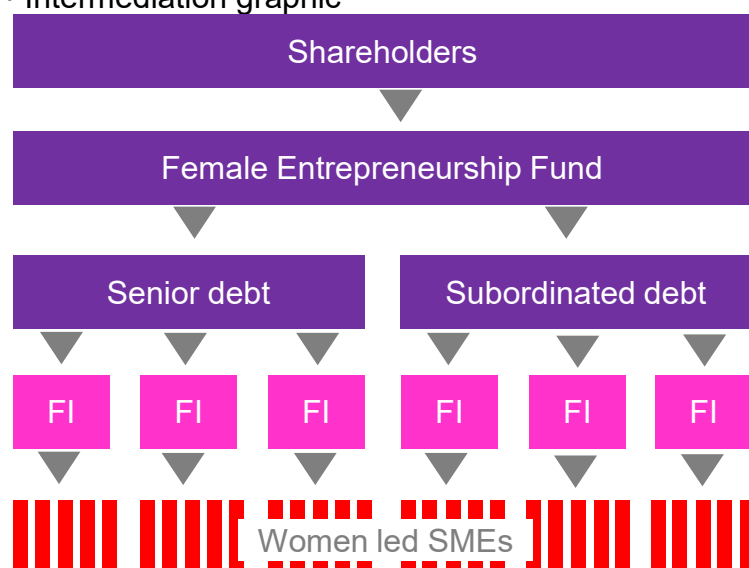
The selection criteria for FIs will also consider the financial objectives of the Sub-Fund to generate a return for Shareholders. Consequently, in addition to investing in FIs with a close alignment with the objectives of FEF, FEF will apply a rigorous credit evaluation methodology utilizing tools such as the CAMEL framework (which comprises of an analysis of capital adequacy, asset quality, management and governance, equity and liquidity).

3.3. Financial intermediation of the Sub-Fund

FEF will not directly provide financing to women-led SMEs who are or may become clients of the FIs. This activity requires local presence and local knowledge and is best done by local FIs. FEF will provide mostly debt financing to Financial Institutions onlending to SMEs in general and women-led SMEs in particular.

The chart below illustrates the financial intermediation applied by FEF to finance FIs:

- Intermediation graphic



3.4. Origin of the Sub-Fund and its Sponsor

The sponsor of FEF is the Regional Center for the Promotion of Micro, Small and Medium-Size Enterprises (“**CENPROMYPE**” or “**Sponsor**”). CENPROMYPE is a regional organization, with international legal personality within the framework of the SICA. Its purpose is the articulation of policies at the micro, mesa and macro levels within the framework of national and regional objectives, in coordination with the regional government bodies, CENPROMYPE articulates agendas and strategies that strengthen the regional ecosystem of support for micro, small and medium-size enterprises (“**MSMEs**”). In the SICA region, gender inequality and discrimination in MSMEs' access to development resources and benefits are increasingly recognized. In response to that, CENPROMYPE, within its Regional MSME Agenda, defines as a strategic pillar Women's Entrepreneurship. This is done by implementing solutions that combine financial and non-financial elements aimed at improving sustainable business models and promoting growth and competitiveness for this segment.

In an effort to reduce gender inequality and improve female entrepreneurs' financial inclusion, CENPROMYPE is sponsoring the FEF.

4. Investment Policy and Strategies

4.1. Focus on debt financing to mature FIs

FEF's investment focus is mainly on providing attractive debt financing to FIs with an interest in having a positive social impact and a proven business model. FIs are expected to have reached financial sustainability, and have a strong social vision and mission focused on positive impact for the ultimate clients. The FEF focuses on the financial sustainability of the credit activity and solvency of the FI. The commitment of

the FI, its board of directors, shareholders and other stakeholders is important to ensure alignment with FEF's vision.

On an ancillary basis, FEF may provide guarantees.

4.2. Geographical Scope

The FEF invests in the countries who are member of the SICA ("**Target Countries**").

4.3. Investments

The products to be offered by FEF will take into account the analysis of the relevant environment, specifically, both the demand and the existing supply in the countries of the SICA region.

FEF's investments shall primarily, during its Term, consist (i) mainly in senior secured, unsecured and subordinated loans or other interest-bearing instruments and (ii), on an ancillary basis, in the issue of guarantees (together defined as the "**Investment**") provided that the contracted maturity of the relevant Investment cannot exceed FEF's Term.

a) Loans

The majority of FEF's portfolio consists in loans, including senior secured or unsecured loans, it being understood that FEF may also grant subordinated loans to FIs considered to be of high solvency and with a sound business plan.

b) Tenor

In order to allow FIs to develop their financial offering to women-led SMEs, the maturity of FEF's loans will typically be between four to six years, with the possibility to grant loans up to eight years. Loans usually include a grace period during which principal is not paid back to the Sub-Fund.

The tenor of subordinated loans granted by FEF may depend on the financial regulation in force in the Target Country.

c) Interest rate

FEF aims to negotiate interest rate and fees on each Investment commensurate with the risk it takes with the objective to generate a financial return to Shareholders.

The interest rate may vary from country to country and even from FI to FI within the same country, depending on the characteristics of the FI, on the characteristics of each country's financial sector and on the accessibility of local and foreign financing. For loans granted in local currency, the currency risk may constitute a significant part of the interest rate charged by FEF.

In determining the interest rate, the Fund considers market rates, its financial return

objectives, the risk involved in the transaction and the viability of the interest rate for the FI to extend debt financing to women-led SMEs.

d) Acquisition of existing loans

FEF may in exceptional cases acquire existing loans. For example, FEF may acquire a portfolio of existing loans, including from its Sponsor, CENPROMYPE.

e) Currency exposure

FEF may lend in local and foreign currency. However, lending in currencies other than the US-Dollar will require adequate risk mitigation mechanisms. FEF may use derivatives including forwards or cross-currency interest rate swaps to hedge foreign exchange risk, although these derivative instrument may be expensive or not available for long tenors. FEF may decide to assume foreign exchange risks if the costs to cover such risk are deemed inappropriate. The Sub-Fund will also seek diversification of foreign exchange risks, although diversification may be limited by FEF's focus on Central American countries.

f) Guarantees

FEF's may - on an ancillary basis - provide guarantees, either through deposits of liquid assets made at a credit institution or other financial intermediary, which in turn issues a letter of credit to a lender, domestic (same country as the FI) or international, who in turn provides credit facilities to the FI, in view of linking the FI to financial markets and alleviating the currency risk for the FI. FEF receives a fee commission from the FI for the provided guarantee.

Alternatively, FEF may directly and through a contract with the FI guarantee certain risks.

4.4. Liquid assets

Without prejudice to section 4.4 above, FEF may also invest on an ancillary basis, and for the purpose of its liquidity management, in cash, demand deposits, term deposits, money market instruments or other liquid instruments, including money market funds.

4.6. Margins and cash-deposits for foreign currency hedging

On an ancillary basis, FEF may be required to post liquid or other assets as recourse to one or several counterparties providing foreign currency hedging. FEF may also invest in the equity of foreign currency hedging providers if such investment is required to gain access to foreign currency hedging for currencies not covered by commercial credit institutions.

5. Investment Restrictions

5.1. Investment Restrictions

FEF may not:

- a) make Investments representing more than 20% of its Total Commitments in any single FI nor shall invest more than 20% of its Total Commitments in financial instruments issued by the same issuer. These percentages could however be exceeded during the first six (6) months of FEF's operation, but FEF must observe the principle of risk spreading.
- b) invest more than 40% of its Total Commitments in any given country.

5.2. Borrowings and Leverage

Borrowings

FEF intends to utilize long term borrowings for investment purposes, aligned to the investment risks assessed and subject to the limits established in this section. Borrowings may consist of different loans, differentiated in rank between subordinated and senior unsecured loans. The total amount of borrowings may not exceed the Total Commitments by more than 1.0 times.

FEF may also provide guarantees as part of its investment strategy. Guarantees may require the FEF to pledge its assets as a guarantee against the issuance of a guarantee letter or stand by letter of credit by a credit institution or other financial intermediary.

Finally, the Sub-Fund may use derivatives for the risk management purposes detailed herein.

Use of leverage

Leverage means any method by which the FEF's exposure may be increased, whether through the borrowing of cash or of any other assets, via derivatives, guarantees granted by the Sub-Fund or by any other means.

For the purpose of calculating the leverage of FEF:

Any reference to the "Commitment Method" is to be understood as referring to the commitment method used to calculate the leverage within the meaning of the AIFM Regulation and which allows to take into account netting arrangements, sums the value of all physical positions, the notionals of all derivative instruments, takes into account any leverage generated through securities lending or borrowing and reverse repurchase agreements, but excludes derivatives that are used within hedging arrangements and derivatives that do not generate any incremental leverage.

Any reference to the "Gross Method" is to be understood as referring to the gross method used to calculate the leverage within the meaning of the AIFM Regulation and which does not take into account netting and hedging arrangements, sums the value of all physical positions, the notionals of all derivative instruments, takes into account any leverage generated through securities lending or borrowing and reverse

repurchase agreements, but excludes cash & cash equivalents held in the base currency of the Sub-Fund.

At the date of this Prospectus, the expected maximum level of leverage for the Sub-Fund under the "Commitment Method" is 200% and the expected maximum level of leverage under the "Gross Method" is 200%.

Investors should note that the maximum level of leverage set out above in respect of FEF is provided in accordance with the requirement of section 2 of the AIFM Regulation.

The effective level of leverage of FEF is available upon request of Shareholders at the registered office of the Fund.

5.3. Techniques and Instruments

FEF shall generally not invest in derivative instruments, other than currency or interest rate hedging instruments, debt swaps, sovereign default credit swaps, or similar agreements designed to manage risk associated with the Investments or borrowings, and similar risk management derivatives, within the limits set forth in Appendix I "Special Investment and Hedging Techniques and Instruments".

6. Investments identification and monitoring procedure

6.1. Identification and due diligence of FIs

For the identification and analysis of potential FIs it can invest in, FEF relies on the Investment Adviser. The Investment Adviser has a team located in the SICA region and establishes relations with interested FIs.

The due diligence process includes an institutional and contextual analysis of the FI, drawing upon qualitative as well as quantitative criteria. This analysis will look into the institutional structure of the FI (history, governance, legal structure, human resources, active social vocation, etc.), it will assess its social profile (social mission, targeted clients, product offering, quality of established links with customers, etc.), and it will examine its financial robustness (cost coverage, capital structure, dependency on donors, portfolio quality, credit methodology, reserves and provisions, etc.). The analysis will draw upon the annual reports of the FI, its financial accounts (preferably audited), and other available reports (e.g., rating reports).

In addition to the institutional analysis, a country analysis is undertaken, to assess the environment the FI operates in. This analysis consists of an evaluation of the country's political and macroeconomic situation, its social indicators, its legal and judicial environment, and the conditions of its financial sector, in particular the provision of financial services to SMEs and the feasibility of cross-border transactions.

Coupled with the above analysis is a field visit, to verify, complete and deepen the information. An important component of the field visit will lie in personal contact with the staff of the FI and may include a visit to SMEs, including women-led SMEs, who

are clients or potential clients of the FI.

If the FI passes this screening successfully, the proposal is presented to the Investor Committee and Investment Committee.

6.2. Monitoring of FI

An investment by FEF is made through a contract negotiated for each investment and signed between the FI and FEF. The contract will require the FI to, among other things, deliver periodic data to the Investment Adviser which allows the Investment Adviser to follow the evolution of the FI with a series of key performance and social indicators (including specific gender related indicators).

The FI will also inform the Investment Adviser, Manager or Fund of any important events that may have a material impact on the FI's operations or results and accept field visits to its office and clients by the Investment Adviser, the Manager or the Fund. FEF may withdraw its funding in case of material violation of the contract.

7. Technical Assistance and synergies with FEF

In order for FEF to achieve its ambitious objectives of “moving the needle” in terms of changing the underwriting principles utilized by FIs when reviewing potential loans to women led SMEs and consequently improve financial inclusion for women, the Sponsor of FEF is also promoting and raising financing for a Technical Assistance Programme (“**TAP**”), legally independent of the Fund.

The TAP shall be directed to the FIs as well as to the women led SMEs in the SICA region. Its objectives include:

- a) Formalization, support in accessing subsidies and guarantees, strengthening of corporate structure, reporting and governance, and other services as well as business planning and environmental management strengthening women led SMEs, and
- b) Staff training, methodology and product development and improvements, risk assessment, and report generation and any other projects reducing biases and improving gender equality within FIs.

Funding for the TAP will come from non-reimbursable resources expected to be provided by a variety of donors.

It is likely that the TAP's duration is shorter than the Term of FEF. This underscores the TAP's mission to accompany FIs and their women clients during an initial phase introducing products and changing processes whereas the TAP may be less pertinent in a later stage of FEF's Term.

8. FEF's Term

FEF is established for a period of 15 years from the First Closing (the “**Term**”).

9. Share Classes

FEF presents a diversified and differentiated capital structure, encompassing the public sector and private institutions being all professional investors within the meaning of MIFID II.

Two Classes of Shares are currently offered in the Sub-Fund, namely Class G Shares and Class H Shares, each targeting different types of Investors, evidencing a different level of risk, offering a different target return and evidencing a different level of involvement in FEF's governance. The two Classes of Shares form one single portfolio for investment.

The Board of Directors may issue additional share classes with different risk and/or return characteristics, at its sole discretion, during the Term, in which case these Sub-Fund Particulars shall be updated accordingly.

9.1. Risk profile of Share Classes and Loss Claw-Back

The two Classes of Shares offered at the date of this Prospectus correspond to a different level of risk as Class G Shares are subordinated to Class H Shares for which they provide risk coverage.

The risk coverage provided by Class G Shares will be structured as a capital protection mechanism whereby the net loss of Class H Shares (i.e. decrease of the Net Asset Value of Class H Shares ("**Class H NAV**") below the sum of the subscription price of each Class H Share (the "**Class H Protected Value**") shall be covered by Class G Shares by allocating to Class H Shares as at each Valuation Day a portion of the Net Asset Value otherwise attributable to Class G Shares ("**Reallocated Class G NAV**"), until the Class H NAV becomes equal to the Class H Protected Value or the Net Asset Value of Class G becomes nil. Such mechanism will be applied as at each Valuation Day. An account will be maintained of the total re-allocation of NAV from Class G Shares to Class H Shares ("**Class G Loss Coverage**").

As at each Valuation Day, if (i) the Class H NAV is greater than the Class H Protected Value and greater than the Class H NAV as at the previous Valuation Day; and (ii) Class G Loss Coverage is not nil, 50% of the amount of the difference between the Class H NAV and the Class H NAV at the previous Valuation Day, adjusted for subscription or redemptions of Class H Shares, shall be restored to Class G Shares as at such Valuation Day. Such mechanism shall be applied at each Valuation Day until the Class G Loss Coverage is nil.

9.2. Share Class Features

9.2.1 Class G Features

Eligible Investors: Public bodies investors (including national, international and supranational institutions) seeking a social impact and wanting to leverage their investment with resources from the other investors.

Denomination currency: USD.

Initial subscription price: USD 100 per Share

Redemption: Not redeemable at the request of the Shareholder.

Transferability: Subject to Board of Directors' approval.

Risk profile:

Junior (as further described hereinabove in section 9.1 of these Sub-Fund Particulars).

9.2.2. Class H Features

Eligible Investors: Any investor qualifying as a "professional investor" (as defined in MiFID II).

Denomination currency: USD

Initial subscription price: USD 100 per Share

Redemption: Not redeemable at the request of the Shareholder

Transferability: Subject to Board of Directors' approval

Risk profile: Senior (as further described hereinabove in section 9.1 of these Sub-Fund Particulars)

9.3. Return

Class G Shareholders assume a higher degree of risk in view of their objectives to further gender equality in the SICa region. Returns of Class G Shareholders may not always be commensurate with the expected level of financial risk.

FEF aims to generate stable financial returns for Class H Shareholders interested in social impact and a growth in the Net Asset Value of their investment.

10. Shares - Dealing Process

10.1. Target Size

FEF aims to gather Total Commitments for an amount of USD 10-25 million. For the avoidance of doubt, the Board of Directors shall have discretion to accept

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Commitments above such target size.

10.2.Commitments

Investors shall invest in FEF on the basis of commitments to subscribe for Shares (the "**Commitments**") as set out below, the sum of all Commitments being the "**Total Commitments**".

By entering into a commitment agreement (the "**Commitment Agreement**"), each investor commits irrevocably to meet the capital calls of the Board of Directors within the limits of the amount of its Commitment and to comply with the other provisions of the Prospectus, these Sub-Fund Particulars, the Articles and its Commitment Agreement. Any delay or default of payment will be penalized in accordance with sub-section "Default on Drawdown" of these Sub-Fund Particulars.

The Board of Directors is entitled to refuse, at its sole discretion, any request or commitment to subscribe for Shares. The Board of Directors shall have the power to impose such restrictions or measures as it may think necessary in order to avoid that any Share be acquired or held by (a) any person in breach of the laws and requirements of any country or governmental authority (including Luxembourg) or (b) any person in circumstances which in the opinion of the Board of Directors might result in FEF incurring any liability to taxation or suffering any pecuniary disadvantage which it might not otherwise have incurred or suffered.

10.3.Closings

First Closing

The First Closing has been held on 24 May 2024.

Subsequent Closings

After the First Closing and until the Final Closing (as defined below), the Board of Directors or its duly appointed delegate may decide to organize one or more subsequent Closings (each a "**Subsequent Closing**").

Final Closing

The final Closing shall not be later than 36 months after the First Closing (the "**Final Closing**").

10.4.Drawdowns

Each Commitment will be drawn down in one or several instalments by the Board of Directors for the purpose of making investments, paying expenses, liabilities and obligations relating to FEF, including repayment of any outstanding borrowings of FEF, the Investment Advisory Fee (as defined hereafter) and other FEF obligations and liabilities (including for indemnification purposes) and establishing any appropriate reserves.

The Board of Directors shall draw down Commitments pro rata from all Investors within the same Class at the same time based on the aggregate Commitments of that Class of Shares at the time of drawdown. The Board of Directors may however apply different schedules and different amounts for drawdowns with respect to each Class of Shares.

The Shareholder's Commitments may be drawn down during a five-year period starting on the First Closing (the "**Investment Period**").

For each Drawdown, the Board of Directors must send a notice (the "**Drawdown Notice**") to each relevant Investor at least 20 Business Days before the relevant payment date. However, the Board of Directors shall be entitled to request payment in relation to a drawdown within a shorter notice period whenever specific circumstances justify such a shorter notice period, provided that such notice cannot be shorter than 5 Business Days.

Up to the Final Closing, Shares will be issued at the higher of (i) their respective initial subscription price (as set out in section 9.2 above) and (ii) the latest known NAV per Shares of the relevant Class. After the Final Closing, Shares will be issued at the latest known NAV per Shares of the relevant Class. For the avoidance of doubt, the Board of Directors may adjust the latest known NAV to account for any significant changes having occurred since the calculation of such NAV per Share, or decide the calculation of an ad hoc NAV per Share for the purpose of an issuance of Shares.

Investors having entered into a Commitment Agreement at a Subsequent Closing as well as Investors having increased their Commitment at such Subsequent Closing must make on that Subsequent Closing:

- (i) a first payment equal to (the "**Equalization Amount**):

$$(A/B) \times C$$

where

A= the aggregate of all previous drawdowns from all existing Shareholders in the relevant Class

B= aggregate Commitments of the relevant Class of Shares at the relevant Subsequent Closing (excluding Commitments accepted at that Closing)

C= the amount of the Commitment entered into by such Subsequent Closing Investor at that Subsequent Closing.

- (ii) an additional payment of an amount equal to three (3%) percent of the Equalization Amount paid by such Subsequent Closing Investor (the "**Actualization Interest**"). Such amount shall be payable to FEF and shall be paid in addition to the Commitment of such Subsequent Closing Investor.

10.5.Default on Drawdown

General Conditions

In the event that any Investor fails to advance to FEF the portion of its Commitment specified in a Drawdown Notice on or before the date specified therein for such payment to be made (the "**Drawdown Date**"), the Board of Directors may give written notice to such Investor within the following three (3) Business Days specifying that:

- amount outstanding shall bear interest equal to SOFR plus eight per cent (8%) per annum determined as at and occurring as from the Drawdown Date until the date on which such outstanding amount and interest thereon shall have been paid in full to FEF and for the benefit thereof (the "**Default Interest**");
- such Investor shall be liable to FEF for all costs and expenses incurred by FEF in connection with such default (the "**Default Expenses**"); and
- after ten (10) Business Days from the Drawdown Date, the rights of such Investor as referred to under points (i) and (ii) below, as well as its right to receive distributions pursuant to section 11 below, shall be suspended until the date on which such outstanding amount and interest thereon shall have been paid in full to FEF.

In such a case, further calls may be made upon the other Investors (up to but not exceeding their respective Undrawn Commitments and pro rata to their respective Commitments) and/or FEF may borrow to avoid liquidity gaps in accordance with sub-section "*Borrowings*" under section 5.2 above in order to make good the shortfall.

If however, the relevant Investor fails to pay in full the outstanding amount, the Default Expenses and the Default Interest accrued thereon, on or before the thirtieth (30th) calendar day following the Drawdown Date (the "**Cure Period**"), the Board of Directors may, without further notice, declare the relevant Investor a "**Defaulting Investor**" by written notice to be sent to the Defaulting Investor and (without prejudice to any other rights and remedies it may have pursuant to any applicable law to recover any damage incurred by FEF) proceed as indicated in sub-sections "*Transfer of the Shares of Defaulting Investors*" and "*Compulsory redemption of the Shares of Defaulting Investors*" below without further notice.

Without prejudice to the foregoing:

- (i) the Defaulting Investor shall no longer be entitled to vote and take any decision under the Prospectus (including the right to request a Shareholders' meeting or a Shareholders written consent thereof, as well as the right to submit a voting proposal to other Shareholders), and its Shares shall not be considered for the purposes of determining the required majorities and quorum under this Prospectus, the Articles and applicable laws and regulations;
- (ii) the Defaulting Investor shall no longer be entitled to participate in the

funding of any subsequent investment of FEF; and

- (iii) the Defaulting Investor will lose its right to any distribution made or to be made by FEF in accordance with the Prospectus and any such distribution rights shall be held by FEF on behalf of the purchaser of the relevant Shares, subject to the right of the Board of Directors and FEF to deduct therefrom any Default Expenses.

Transfer of the Shares of Defaulting Investors

Each Investor agrees, for the benefit of FEF and of the other Investors thereof and for the case that it is declared a Defaulting Investor, to an irrevocable promise to sell (*promesse unilatérale de vente*) all its fully paid Shares (as registered in the register of Shareholders) to any of the other Investors of the same Class of Shares of FEF, at a price per Share equal to the lower of:

- thirty per cent (30%) of (x) the subscription price (excluding any Actualization Interest) paid by the Defaulting Investor upon subscription at the time, reduced by (y) any distribution received by the Defaulting Investor with reference to each Share; and
- thirty per cent (30%) of the Net Asset Value of such Shares on the relevant transfer date;

provided that the aggregate price shall not in any case be lesser than one USD (\$ 1).

The sale process shall be brought to completion in accordance with the following procedure:

- (i) the Board of Directors shall send a written notice of such default to the non-defaulting Investors (each a "**Non Defaulting Investor**") offering the Shares of the Defaulting Investor on a pro-rata basis to the Non-Defaulting Investors based on their Commitments, and each Non Defaulting Investor shall then confirm in writing, by registered mail or facsimile, to the Defaulting Investor and to the Board of Directors, within fourteen (14) Business Days following the date of the notification received from the Board of Directors, their acceptance, or that they decline, to purchase such number of Shares as indicated in the relevant acceptance confirmation;
- (ii) the sale and transfer of the Shares of the Defaulting Investor to the accepting Non-Defaulting Investor(s) shall be completed, and reflected as such by the Board of Directors in the register of the Shareholders pursuant to point (v) below, in proportion to the number of Shares held by each of the Investors confirming their acceptance to purchase the Shares from the Defaulting Investor, it being agreed and understood that by not confirming its (their) acceptance of the purchase, the relevant Investor(s) increase(s) the other Investors' rights for the proportion of Shares which will not be acquired by such Investors on a pro rata basis;

- (iii) the Investors agree that their acceptance to purchase such number of Shares as indicated in the acceptance confirmation shall necessarily imply that the relevant parties or assignee thereof automatically and irrevocably fully and completely assume their pro rata share of the Undrawn Commitments of the Defaulting Investor that remain outstanding towards FEF on the relevant transfer date;
- (iv) the purchasing Investor(s) shall pay to FEF (pro rata, in respect of their acceptances) an amount equal to the outstanding amount due by the Defaulting Investor (excluding Default Interest and Default Expenses);
- (v) the transfer shall be reflected as such by the Board of Directors in the register of Shareholders only upon receipt by FEF of the amount under point (iv) above.

Compulsory redemption of the Shares of Defaulting Investors

All Defaulting Investor's Shares that are not purchased pursuant to the above sub-section "*Transfer of the Shares of Defaulting Investors*" within one hundred and twenty (120) Business Days from the expiration of the Cure Period are subject to a compulsory redemption by FEF (the "**Default Redeemable Shares**") in accordance with the following rules and procedure:

- (i) after the expiration of the above 120-Business Day term, the Board of Directors will promptly send a notice (hereinafter called the "**Redemption Notice**") to the Defaulting Investor; the Redemption Notice shall specify the Default Redeemable Shares to be redeemed, the price to be paid, and the date and place where the redemption price shall be payable. The Redemption Notice may be sent to the Defaulting Investor by registered mail to its last known address. The Defaulting Investor shall be obliged, without delay, to deliver to FEF any Share certificate or certificates. From the close of business of the day specified in the Redemption Notice, the Defaulting Investor shall cease to be the owner of the Default Redeemable Shares and the relevant Share certificates shall be cancelled; and
- (ii) the redemption price per Share will be calculated pursuant to sub-section "*Transfer of the Shares of Defaulting Investors*" above and will be payable only at the close of the liquidation of FEF.

In the event that Shares are held by a Shareholder acting as a feeder vehicle or a financial intermediary for more than one beneficial owner and in the case only one or some of these beneficial owners has defaulted, the Board of Directors reserves the right, upon receipt of satisfactory documentation as to the beneficial ownership of the Shares, to apply the above remedies only to the portion of the shareholding corresponding to the defaulting beneficial owner(s).

10.6.Redemption

FEF is a closed-ended Sub-Fund. Accordingly, Shareholders are not entitled to

request redemption of their Shares.

The Board of Directors may however redeem Shares (i) whenever FEF is making a distribution, or (ii) on a compulsory basis if a Shareholder (a) is in breach of the law or requirement of any country or governmental authority, (b) entails circumstances which in the opinion of the Board of Directors might result in FEF incurring any tax liability or suffering any monetary charge which FEF might not otherwise have incurred or suffered from or (c) does not comply or ceases to comply with any provision of the Prospectus, these Sub-Fund Particulars or the Articles.

Whenever FEF redeems Shares for the purpose of making a distribution, the redemption price per Share shall be based on the most recent available Net Asset Value per Share of the relevant Class of Shares or the Net Asset Value that the Board of Directors calculates upon the redemption date if the Board of Directors determines that the Net Asset Value of the relevant Class of Shares has increased or decreased materially since the day the most recent available Net Asset Value has been calculated.

In the event of a compulsory redemption, the redemption price per Share will be equal to the latest available Net Asset Value per Share of the relevant Class redeemed and held by the relevant Shareholder, or the Net Asset Value that the Board of Directors may elect to calculate upon the redemption date, less any amount that would be necessary to indemnify FEF for any costs or damages incurred by reason of such compulsory redemption. The Board of Directors shall determine at its sole discretion when payment of the redemption price will be due, provided that the payment shall occur at the latest at the date of the last distribution made to the Shareholders after the expiry of the Term of FEF. FEF may also redeem Shares in the event of a default of payment by a Shareholder in accordance with sub-section "*Compulsory redemption of the Shares of Defaulting Investors*" of section 10.5 of these Sub-Fund Particulars.

The Shares redeemed by the Sub-Fund may be cancelled.

10.7.Transfer

Any Transfer of Shares and Undrawn Commitments shall be carried out in accordance with Luxembourg law and the Articles and is subject to the prior approval of the Board of Directors.

11.Distribution

The Board of Directors may decide at its sole discretion to distribute dividends at any time, in accordance with the Prospectus and the Articles, out of realized income derived from FEF's investments (for the avoidance of doubt excluding capital gains as a result of the realization of an investment) net of all interest and other sums payable under the loans, fees and costs of FEF.

12.Net Asset Value

The NAV in respect of each Class of FEF shall be calculated on the last calendar day

of March and September (each being a “**Valuation Day**”).

The NAV is determined as at each Valuation Day, on the basis of the value of the underlying investments of FEF determined in compliance with the principles set forth in the Articles and item 7. Net Asset Value and Valuation of Assets of Section I. General Provisions of this Prospectus.

A valuation policy has been established, based on the above principles, which is available to investors upon request at the registered office of the AIFM. A summary of such valuation policy is provided below.

The tolerance threshold for NAV calculation errors is defined at 5.0% of NAV.

12.1. Standard of value and valuation policy

The AIFM aims to base the valuation of the Investments on the probable realization value which shall be estimated with care and in good faith, in accordance with article 99 (5) of the Law and the AIFM Rules.

12.2. Fair Market Value (the “**FMV**”) valuation methodologies

Financial instruments which are traded on a regulated market allow for measurement of their fair value through the availability of prices of recent transactions. Investment and financial instruments which are non-quoted and non-standardized instruments, require - in the absence of transactions therein in the immediate past - a valuation approach based on models and judgement to determine a probable realization value.

The choice of the methodology will be driven by the availability of the relevant information. There is no certainty that the FMV determined by the AIFM using its valuation policy is equal to the sales price of an Investment or as applicable a financial instrument obtained in an arm’s length transaction with a third party. Please also refer to section 14.6 of these Sub-Fund Particulars for details.

12.3. FMV of senior and subordinated loans

Senior or subordinated loans take the form of a contract between the FI and FEF with interest rate, repayment terms, pledges and other covenants negotiated for each transaction. Loans may be backed-up by different forms of collateral, promissory notes or other guarantees.

Loans provide for a certain separation between the value of the loans and changes to the value of an investee.

FEF strives to negotiate an interest rate which reflects the risks and objectives of the FI while keeping the social impact objectives of FEF in mind. FEF will usually hold these loans to maturity.

In view of its objectives, the negotiated interest rate should represent an appropriate

yield of the loan so that the nominal value of the loan plus accrued interest represents its fair value. The AIFM needs to assess periodically whether a significant change in the environment, performance or financial position of the FI indicates that the loan is impaired (an "**Impairment**").

To assess Impairments, each investee being a counterparty to a loan, is monitored through the reporting of financial, operational data and key performance indicators, review of its activities, audit and other reports. The review specifically covers whether one or more events have occurred which will have a significant impact on the instrument's future cash flows.

If the AIFM concludes that there is evidence that a loan is impaired, it will determine the Impairment loss as the amount between the carrying amount (including accrued interest, commissions, where applicable) of the loan prior to Impairment and the probable realizable value. The AIFM usually does not consider any reduction in value in the loan that results from the depreciation of the loan currency vis-à-vis the US Dollar ("**Currency Risks**") to be an Impairment, such reduction being accounted for as a realized or unrealized exchange loss.

12.4.FEF may grant loans in US-Dollar or the currencies of the SICA member countries.

In case FEF contracts currency hedging instruments for a loan, these are valued separately from the relevant loan. However, cross-currency swaps and currency forwards which are linked in notional, spot exchange rates, interest rates, maturities and other terms to any loan are valued considering the economic substance of the transaction. Such swaps and forwards are valued as at any Valuation Day using the spot exchange rate on the principal and accrued interest and not the forward curve to align the valuation to the approach for loans to counterparties described above.

Such valuation approach is changed if a credit risk materializes in the form of an Impairment. The part of the swap or forward notional then exceeding the valuation of the underlying loan is valued using a marked-to-market approach. Any material difference between the spot rate at which the swap or forward was contracted and the spot rate at which the loan was disbursed is amortized over the period until expiry of the swap or forward and recognized as interest income or expense.

12.5.FMV of other assets

The value of the assets other than those referred to above under section 12.1 to 12.4 shall be determined in accordance with the principles set forth under items (c), (d), (e), (f) and (g) of sub-section 7.2 "Valuation of Assets" of item 7. "Net Asset Value and Valuation Assets" of Section I. General Provisions of this Prospectus and under the Articles.

13. Management Structure of the Sub-Fund

The Board of Directors is responsible for the definition of the investment policy and objectives of FEF and of the overall supervision of FEF's management. In order to

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manage FEF's portfolio, the Board of Directors has appointed the AIFM. The AIFM has appointed the Investment Adviser.

As set out in the general part of the Prospectus, the Fund is managed by the Board of Directors which may entrust to one of its members or to a committee composed of several persons who are not necessarily members of the Board of Directors or to another company, including, as the case may be, a subsidiary of the Fund, the Administration Functions (the relevant director, committee or another company entrusted with such functions is herein referred to as the "**Administration Functions Provider**").

As set out in the general part of the Prospectus, the Administration Functions Provider is entitled to receive an annual fee that, together with the Investment Advisory Fee (as defined under section 13.2 below), is of maximum 2.75% of the Total Commitments. This fee shall cover all of the Administration Functions Provider's costs (including all wages, salaries, bonus and benefits, and in case of an Administration Functions Provider under the form of a legal person, all other operating costs of such legal person).

For the avoidance of doubt, FEF shall support its own organizational and operating expenses.

The above limit is subject to an estimated minimum annual cost of the Administration Functions Provider of USD 150,000 required to administer the Sub-Fund.

13.1.AIFM

The Board of Directors has appointed the AIFM to perform (i) the portfolio management of FEF and (ii) the risk management in accordance with the AIFM Directive, Section I General Provisions of this Prospectus and Sub-Fund Particulars. FEF will pay the AIFM a fee (the "**AIFM's Fee**") of up to:

- 0.08% per annum of FEF's Net Assets Value for the first equivalent in USD of EUR 50 million
- 0.07% per annum of FEF's Net Assets Value between the equivalent in USD of EUR 50 million and EUR 100 million; and
- 0.06% per annum of FEF's Net Assets Value above the equivalent in USD of EUR 100 million.

The AIFM's Fee is subject to an annual minimum fee of the equivalent in USD of EUR 40,000.

The AIFM shall set up:

(a) an investor committee whose members may be composed of the representatives of the Fund, of the Investment Adviser, of the AIFM and of representatives of Shareholders of Class G or H and independent experts (the "**Investor Committee**").

(b) An investment committee (the "**Investment Committee**") composed of (i) four representatives of the AIFM, (ii) one representative of the Fund and (iii) one

representative of the Investment Adviser (as defined below) who is participating to such Investment Committee as support but does not have any voting rights.

The Investment Committee will take all investment and disinvestment decisions as well as any other decision relating to the management of FEF's portfolio, upon non-binding recommendations made by the Investor Committee, within the limits of the investment policy and objectives of FEF, as defined by the Board of Directors

13.2. Investment Adviser

As at the date of the Prospectus, the AIFM pursuant to a tripartite agreement entered into on 15 May 2024 with the Fund (the “**Advisory Agreement**”) has appointed Total Impact Advisors LLC whose registered office is located at 4800 Montgomery Lane, Suite 760, 20814 Bethesda, MD, USA, as investment adviser (the “**Investment Adviser**”) to provide at least the following services in coordination with the AIFM and upon its instructions:

- i) identification, assessment (analysis and due diligence), negotiation and structuring the Investments and disinvestment opportunities and assistance with respect to the administrative servicing of the loans, including the establishment of a portfolio monitoring report twice per year;
- ii) review, supervision and monitoring the Investments and liaising with its target Investments, and
- iii) Assistance in the preparation of communication of the Sub-Fund's result including with respect to information to be disclosed on the Fund's or Sub-Fund's website, semi-annual and annual reports and other channels required by Shareholders;

In addition, the Investment Adviser may act as business introducer by identifying investors which could be interested to subscribe for Shares of the Sub-Fund and introducing these investors to the Fund as these services are more fully described in a business introducer agreement entered into on 15 May 2024 with the Fund.

The Investment Adviser shall not do or be authorized or required to perform any services that might constitute a regulatory activity or which would require authorization by the CSSF or another national supervision authority unless it is appropriately authorized under applicable regulations to do so, or no such authorization is required.

In consideration of its advisory services rendered to the AIFM with respect to FEF, the Investment Adviser is entitled to receive, out of the assets of FEF, an annual fee (the “**Investment Advisory Fee**”) which may not exceed:

- 1.5% of FEF's total net assets, to be paid in quarterly installments at the beginning of each quarter as long as the total net assets do not exceed USD

15 million;

- 1.2% of FEF's total net assets, to be paid in quarterly installments at the beginning of each quarter when the total net assets exceed USD 15 million;

The Investment Adviser shall further be entitled for its services as business introducer to a fee not exceeding 0.5% of the amount raised through the Investment Adviser for its services in this respect.

14. Risk Factors

Prospective Investors should consider risks which include, but are not limited to, counterparty risk, currency risk, country risk, liquidity risk, operational risk, risks linked to investment in other UCIs and risks linked to the valuation of illiquid and unlisted investments. The risks referred to below are not exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice.

14.1. Counterparty risk

A significant risk FEF is exposed to is counterparty risk. FEF's assets essentially consist of its portfolio of debt and guarantees. FEF's counterparties are often perceived as high risk: FIs located in developing countries, granting credit to small businesses without or with limited credit record. However, in practice, numerous studies have shown that SMEs are not necessarily worse borrowers than their larger counterparts.

Moreover, as FEF does not lend directly to the end clients, but to FIs, it benefits from risk diversification over a very large number of borrowers. To diversify its risks, FEF will invest pursuant to the principle of risk spreading in accordance with the investment rules disclosed in Section 5 "Investment Restrictions" of these Sub-Fund Particulars.

Potential Investors should particularly note that the Investments, including subordinated loans and guarantee instruments are inherently risky, notably to external shocks (natural disasters, political risks, economic crisis etc.) and to the risk that the FI may not succeed in its strategy, for example through inadequate governance and/or risk management. In the absence of established secondary markets, the sale of an Investment which has not performed as expected might involve significant mark-downs on the price or a buyer might not be found at all.

14.2. Currency risk

Financial intermediation at the international level usually involves the provision of capital in a currency different to the currency the SME clients of the FI borrows in. The capital provided by the foreign investor is typically converted into the local currency of the FI at the beginning of the engagement and reconverted at the end of the engagement. As currency exchange rates do not remain the same over time, but can sometimes vary significantly, the invested funds are exposed to currency (or foreign exchange) risk.

FEF maintains its accounts in US-Dollars (the "**Reference Currency**"). However, next

to the USD, FEF may have significant balances in the domestic currencies of SICA countries. From past experience, fluctuations in currency exchange rates may contribute significantly to the variations in the Net Asset Value of FEF.

FEF will aggregate the currency risks of its Investments and intends to hedge its exposure to the extent possible and commercially feasible. It may also agree risk sharing of the foreign exchange exposures with the FIs. A balance shall be found between the protection of FEF's Shareholders and the development interests of the FIs and their SME clients.

In order to limit its currency risks, FEF may deploy the following strategies:

- The FEF may use financial hedging instruments, such as swaps, futures, forwards and options, if such instruments are available and appropriate in terms of cost and benefits. As described in section 4.6 of these Sub-Fund Particulars, FEF may have to make an equity investment or cash deposits with a service provider in order to gain access to hedging of certain currencies.

FEF will diversify its engagements in different countries and different currencies. This diversification should limit the impact the variation of any single exchange rate will have on the value of its portfolio in USD;

- FEF may have a share of its portfolio in guarantees. As FEF commits its guarantees in hard currency, mostly in US-Dollar, the currency risk is reduced. This risk is not transferred to the FI when the latter obtains a credit from a local bank in domestic currency,

- FEF may envisage for its non-USD engagements contractual provisions that share out currency risk between FEF and the FI or a third party willing to take on such risk,

The Board of Directors may decide to use other risk management strategies, if such strategies are deemed more appropriate to the currency risks FEF is exposed to.

14.3. Country risk

Country risk is generally understood as a risk that emanates from the country-specific operating environment of the FI (in contrast to counterparty risk, which emanates from the FI itself). FEF, as it engages with counterparts in Target Countries, does face some significant country risks. These may be countries with fragile political and social institutions, weak property rights, inadequate legal and judicial systems, susceptibility to political upheavals, economic or financial crises, and natural disasters.

Furthermore, future modifications to the legal environment or to foreign exchange and capital transfer regulations subsequent to an Investment may render the repatriation of funds challenging. In such case, FEF will bear the associated costs and losses. To limit its exposure, FEF will avoid operating in areas engaged in armed conflict.

To diversify its risks, FEF will aim to limit its total engagement towards a single Target Country. FEF may consider the insurance of country risk on a case-by-case basis.

14.4.Liquidity risk

Potential Investors in FEF should be specifically aware that FEF invests a majority of its assets in illiquid, held-to maturity instruments with uncertain exit timing in case of restructurings or impairments.

14.5.Operational risk

FEF aims to establish controls, rules and procedures to limit operational risks. These range from co-signature requirements for important decisions to the minimum length for the storage of records, from the safeguard of electronic data to the physical security of its offices.

In addition to these self-governing rules, FEF will define its relations with its external partners (AIFM, Depositary and Administrative Agent, Investment Adviser, distributors, etc.) in contractual agreements. These documents shall establish the respective tasks and obligations of FEF's partners and fix their modes of interaction with FEF.

The Board of Directors will carry out regular, pre-announced and non-pre-announced, control visits to the Fund's offices. The external audit of its activities and accounts will be entrusted to an internationally renowned audit company.

It should be kept in mind that despite the best governance rules and procedures, and despite the best compliance, some residual operational risk will always remain.

14.6.Risks linked to the valuation of illiquid and unlisted Investments

Financial instruments which are traded on a regulated market allow for measurement of their fair value through the availability of prices of recent transactions. The Investments and non-quoted, non-standardized instruments necessitate more effort to determine a probable realization value in the absence of transactions in the immediate past. FEF will consider the use of three commonly accepted valuation methodologies: the income, market, and cost approaches.

The income approach measures the value of an underlying investment by the present value of its future economic benefits. Indications of fair value are developed by capitalizing current benefits or discounting prospective cash flows to their present value at a rate of return that appropriately reflects the inherent risk of that particular underlying investment.

The market approach arrives at an indication of fair value by drawing upon comparable investments that have been recently executed in arm's-length transactions. The market data is then adjusted for any significant differences, to the extent known, between the identified comparable investment and the Sub-Fund's investment.

The cost approach considers reproduction or replacement cost as an indicator of fair value. The approach is based on the assumption that a prudent investor would pay no more for an investment than the amount for which he could replace or re- create it.

The use of any of these three methodologies depends on the availability of relevant information. The local and regional micro and SME finance industry is characterized by scarcity of information with regards to reliable and accessible market information. Only few initial public offerings of target FIs have taken place so far. A secondary market for investments is unorganized and a majority of transactions are private placements.

It is important to note that no single one of the three valuation methodologies will yield a definitive determination of fair value as each underlying investment involves unique factors.

FEF aims to use, wherever feasible based on the information available, more than one methodology. The valuation process requires the objective analysis of data, the application of experienced judgment, and discussion with the FIs management to yield a reasonable conclusion.

14.7. Integration and Impact of Sustainability Risk

FEF's Investments may be subject to sustainability risks (hereafter referred to as **"Sustainability Risks"**).

Sustainability Risks are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the Sub- Fund's Investments. Specific Sustainability Risks can vary for each product and asset class. Such risks are further described hereunder:

- (i) **Environmental Risk:** The risk posed by the exposure to issuers that may potentially be (a) causing or affected by environmental degradation and/or depletion of natural resources or (b) negatively affected by the physical impacts of climate change. Environmental risks may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, loss of biodiversity or damages to ecosystems, extreme weather events such as storms, floods, droughts, fires or heatwaves, changing rainfall patterns, rising sea levels and ocean acidification.
- (ii) **Social Risk:** The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labor standards, human rights violations, damage to public health, data privacy breaches, or increased inequalities.
- (iii) **Governance Risk:** The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders' rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence.

a.Integration of Sustainability Risks into the Sub- Fund's Investment decisions

Key potential Sustainability Risks are monitored, via appropriate due diligence conducted during the Investment process and presented to the Investor and Investment Committee.

Investments will be approved and made by FEF after due consideration of the level of the relevant Sustainability Risks and of mitigating factors that have been put in place and which are available on the Sub-Fund's website.

b.Result of the likely impacts of Sustainability Risks on the return of FEF

Although certain key risk factors, notably governance, may have a substantial effect on individual assets, FEF Investment restrictions, implying a diversification of the portfolio, limit the potential impact on returns faced by the portfolio as a whole. Sustainability Risks are therefore not anticipated to have a material negative impact on the financial returns of the Sub-Fund.

APPENDIX I

SPECIAL INVESTMENT AND HEDGING TECHNIQUES AND INSTRUMENTS

1. Techniques and Instruments related to Transferable Securities

For the purpose of hedging, efficient portfolio management, duration management or other risk management of the portfolio, the Fund may, for each Sub-Fund which refers to this Appendix I, use the following techniques and instruments relating to transferable securities:

(A) Transactions relating to Options on Transferable Securities

An option is the right to buy or sell a particular asset at a stated price at some date in the future within a particular period. The Fund may buy and sell call or put options on transferable securities provided that these options are traded on options exchanges or over-the-counter with broker-dealers who make markets in these options and who are first class financial institutions that specialize in these types of transactions and are participants in the over-the-counter markets.

The Fund shall further comply with the following rules:

- (i) The total amount of premiums paid for the purchase of call and put options which are considered here, together with the total amount of premiums paid for the purchase of call and put options described under (B) b) below, may not, in respect of each Sub-Fund, exceed 15 % of the NAV of such Sub-Fund.
 - (ii) The total commitment arising from (a) the sale of call and put options (excluding the sale of call options for which there is adequate cover) and (b) transactions for purposes other than hedging as referred to under (B) below, may not exceed, in respect of each Sub-Fund, at any time the NAV of such Sub-Fund. In this context, the commitment on call and put options sold is equal to the aggregate amount of the exercise prices of those options.
 - (iii) When selling call options, the Fund must hold either the underlying transferable securities, or matching call options or any other instruments (such as warrants) providing sufficient cover. The cover for call options sold may not be disposed of as long as the options exist unless they are covered in turn by matching options or other instruments used for the same purpose.
- Notwithstanding the foregoing, the Fund may sell uncovered call options if the Fund is, at all times, able to cover the positions taken on such sale and if the exercise prices of such options do not exceed 25% of the NAV of the relevant Sub-Fund.
- (iv) When selling put options, the Fund must be covered during the full duration of the options by sufficient cash to pay for the transferable securities deliverable to the Fund by the counterparty on the exercise of the options.

(B) Transactions relating to Futures and Option Contracts relating to Financial Instruments

Dealing in financial futures is the trading in contracts related to the future value of transferable securities or other financial instruments. Except as regards interest rate swaps on a mutual agreement basis and options which may be traded as provided for under (A) hereabove, all transactions in financial futures may be made on a regulated market only.

Subject to the following conditions, such transactions may be made for hedging purposes and for other purposes.

a) Hedging

Hedging is designated to protect a known future commitment.

- (i) As a global hedge against the risk of unfavourable stock market movements, the Fund may sell futures on stock market indices or other financial instruments on indices. For the same purpose, the Fund may sell call options or buy put options on stock market indices. The objective of these hedging operations assumes that a sufficient correlation exists between the composition of the index used and the Fund's corresponding portfolios.
- (ii) As a global hedge against interest rate fluctuations, the Fund may sell interest rate futures contracts. For the same purpose, it can also sell call options or buy put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specializing in this type of transaction.

The total commitment relating to futures and option contracts on stock market indices may not exceed the total valuation of securities held by the relevant Sub-Fund in the market corresponding to each index. In the same way, the total commitment on interest rate futures contracts, option contracts on interest rates and interest rate swaps may not exceed the total valuation of the assets and liabilities to be hedged held by the relevant Sub-Fund in the currency corresponding to these contracts.

b) Trading

Trading is based on the forecasting of future movements in financial markets. In this context and apart from option contracts on transferable securities (See (A) above) and contracts relating to currencies (See 2. below), the Fund may, for a purpose other than hedging, buy and sell futures contracts and options contracts on any type of financial instrument provided that the total commitment arising on these purchase and sale transactions together with the total commitment arising on the sale of call and put options on transferable securities, in respect of each Sub-Fund, at no time exceeds the NAV of such Sub-Fund.

Sales of call options on transferable securities for which the Fund has sufficient cover are not included in the calculation of the total commitment referred to above.

In this context, the commitment arising on transactions which do not relate to options on transferable securities is defined as follows:

- the commitment arising on futures contracts is equal to the liquidation value of the net position of contracts relating to identical financial instruments (after netting between purchase and sale positions), without taking into account the respective maturities and
- the commitment relating to options bought and sold is equal to the sum of the exercise prices of those options representing the net sold position in respect of the same underlying asset, without taking into account the respective maturities.

The total of the premiums paid to acquire call and put options as described above, together with the total of the premiums paid to acquire call and put options on transferable securities as described under (A) above may not, in respect of each Sub-Fund, exceed 15 % of the NAV of such Sub-Fund.

2. Currency Hedging

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Fund may enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or over-the-counter with first class financial institutions specializing in these types of transactions and being participants of the over-the-counter markets.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and future or current assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the reference currency (i.e. currency of denomination) of the relevant sub-fund - known as "Cross Hedging") may not exceed the total valuation of such current and future assets and liabilities nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred. For the avoidance of doubt, future assets or liabilities shall mean assets or liabilities arising from binding contractual agreements such as future interest payments on loan contracts.

APPENDIX II

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 for the Sub-Fund Luxembourg Microfinance and Development Fund.

ANNEX III

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088

Product name: Investing for Development
SICAV –Luxembourg Microfinance and
Development Fund

Legal entity identifier: 549300HPOC2R0U7FV725

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.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

●● ☒ Yes

☒ ☐ ☐ No

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

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

✘ It will make a minimum of **sustainable investments with a social objective:**
80%

- It promotes E/S characteristics, but **will not make any sustainable investments**

The Sub-Fund has a sustainable investment objective but may hold on an ancillary basis liquid assets and derivative instruments used for risk management purposes. These assets are not considered sustainable investments. Liquid assets and derivatives may constitute in rare circumstances more than 20% of total net assets of the Sub-Fund, however such circumstances are temporary and do not reflect the long-term objective of the Sub-Fund.



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

The objective of the Sub-Fund is to make sustainable investment within the meaning of article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFD Regulation”) by contributing to the alleviation of poverty in developing countries through the provision of permanent and adapted financial services to marginalised communities and individuals. The Sub-Fund invests in promising microfinance institutions (“MFIs”) that have a positive social impact so that these institutions reach financial autonomy. In pursuance of its objectives, the Sub-Fund may invest in MFIs, in networks or associations of MFIs, in regional funds, in microfinance vehicles (“MIVs”) and in other microfinance-related products.

The Sub-Fund has two principal objectives, social and financial: help socially-oriented MFIs to become long term viable enterprises that reach more poor people and offer better services, and generate sufficient income to sustain its own operations and give its Shareholders a financial return that at least compensates for inflation.

Microfinance is a term describing the provision of financial services to the poor. Microfinance is intended to cater to the needs of poor people by giving sustainable and formalized access to credit, savings, money transfer services, micro-leasing and micro-insurance. The term “micro” in microfinance is derived from the fact that transaction amounts are small compared to amounts found in traditional financial intermediation. The process of catering mostly to the part of humanity not having access to formal financial service providers (banks, insurance companies etc.) is often described under the term “financial inclusion”.

Ultimately microfinance, as understood by the Sub-Fund, aims at contributing to the alleviation of poverty by reducing the exclusion and uncertainty poor people face in their daily lives and enabling economic development of micro-entrepreneurs.

The Sub-Fund’s investment focus is on promising MFIs with positive social impact. Promising MFIs are institutions which have a proven business model, have reached or are close to reaching financial sustainability and have a strong social vision and mission focused on positive impact for the ultimate clients.

The Sub-Fund will invest in the developing countries of Africa, Asia and Latin America.

The decision to invest will be based less on the overall level of development of the country in question, but rather more on the merits of the individual cases, i.e., the potential benefit for the local population and the prospects of autonomy for the MFI.

The Sub-Fund is not pursuing an environmental objective as defined in Article 9 of EU Regulation 2020/852.

The Sub-Fund’s investment strategy is not aligned to any reference benchmark.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Sub-Fund will strive to provide tailor-made and innovative solutions to needy MFIs, coupling its own financial assistance with technical support from external consultants. It will

deliberately focus on niche activities, activities where potential needs of MFIs are large, but current supply is scarce.

To monitor the social performance of the Sub-Fund, the proportion of assets invested in MFIs is carefully monitored and reporting is provided through a quarterly factsheet and semi-annual reports. These also provide a series of other key performance indicators which are used to monitor the outreach of the Sub-Fund.

The key performance indicators used to measure the attainment of the sustainable investment objective are segmented both at the portfolio, investees, and end clients' level.

At the level of the portfolio and investee level, the following key performance indicators are defined:

Total amount of portfolio in EUR invested in microfinance providers
No. of microfinance institutions directly financed
Geographical distribution of investees (i.e., Latin America, Sub-Saharan and North Africa, Southeast and Central Asia, Developed countries)
Percentage of financing in microfinance institution local currency
Average financing for microfinance institution
Share of investments in low and medium Human Development Index (HDI) countries

Key performance indicators gathered on a quarterly base at end client level are the following:

Gender disaggregated data by borrower (i.e., percentage of women and men)
Geographical disaggregated data by borrower (i.e., number of clients in rural and urban areas)
Lending methodology disaggregated data by borrower (i.e., loan disbursed by group and individual lending)
Loan disbursed by GNI/per capita during the period (i.e., number of loans disbursed below or above GNI/capita during period and average loan disbursed / GNI per capita)

Additional key performance indicators are also gathered and analysed to measure the Sub-Fund contribution to the Social Development Goals (SDGs). The Sub-Fund strives to provide contribution to many of the goals focusing on People and Prosperity, traditionally defined as goal N° 1 - No Poverty, goal N° 4 - Quality education, goal N°5 - Gender equality, goal N° 8 - Decent work and economic growth, goal N° 10 - Reduced inequality, and goal N° 17 - Partnership for the goals.



How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

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?

The Sub-Fund is collecting data for the mandatory indicators specified in Table 1 of Annex I of final draft RTS on a best-effort basis.

In relation to the mandatory Principal Adverse Impacts (PAIs) that apply to the Sub-Fund, the mandatory collection is performed on a best efforts basis on the following indicators.

TABLE 1 - Principal adverse sustainability impacts statement

10. Violations of UN global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The due-diligence process includes a review of the labour relations and working practices of the organization including written human resources policies protecting employees and creating a safe working environment, transparent communication and equal opportunities and effective feedback mechanisms. Discrimination against protected categories and responsible loan collection practices are also verified.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	The investment adviser of the Sub-Fund is tasked with reviewing, supervising, and monitoring the microfinance investment compliance.
13. Board gender	Board gender disaggregated data are collected during the due diligence process and the KYC checks. Data are reported semi-annually
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	All investees sign a contract that includes a dedicated annex with the lists all the forbidden activities. The exclusion list includes, among others, a section on weapons and chemicals.

TABLE 3 - Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery manners

5. Lack of grievance/complaints handling mechanisms related to employee matters	ALINUS indicator 5.A.1.1.5 Grievance resolution assessed during due diligence
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6. Insufficient whistle-blower protection	ALINUS indicator 5.A.1.1.6 Whistle blower policy assessed during due diligence
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Key potential sustainability risks are monitored, via appropriate due diligence conducted during the investment process, through, among others, the ALINUS or other appropriate tools as per the Fund's SFDR Reporting Policy, and presented to the Investment Committee.

The Sub-Fund has also adopted an exclusion list to ensure no significant harm is caused through its financing.

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

The Sub-Fund strives to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

It invests in MFIs which are formal, often regulated institutions. The Sub-Fund due diligence process includes a review of the labour relations and working practices of the organisation including written human resources policies protecting employees and creating a safe working environment, transparent communication and equal opportunities and effective feedback mechanisms.

Client rights are verified during the due diligence process by reviewing the institution approach towards fair and respectful treatment of clients in line with the internal code of conduct that is expected to spell out the organizational standards of professional conduct and values. The providers are also required to present policies and documented processes to avoid discrimination against protected categories and collect loans from customers in appropriate manner.

The Fund encourages its investees to take into account environmental risks, to manage those risks proactively and to facilitate business opportunities based on green technologies.



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



Yes

Data is collected on a best efforts basis and published annually on the Sub-Fund's website (www.lmdf.lu)

The due diligence process includes an institutional and contextual analysis of the MFI, drawing upon qualitative as well as quantitative criteria. This analysis will look into the institutional structure of the MFI (history, governance, legal structure, human resources, etc.), it will assess its social profile (social mission, targeted clients, product offering, quality of established links with customers, etc.), and it will

examine its financial robustness (cost coverage, capital structure, dependency on donors, portfolio quality, credit methodology, reserves and provisions, etc.). During the investment process of the Sub-Fund, key potential Sustainability Risks are categorised on the basis of the level of their potential adverse social and environmental impacts (i.e. significant, limited or minimal impact) and reasons, taking into account the possibly to implement mitigation measures are taken into account.

In relation to the mandatory Principal Adverse Impacts (PAIs) that apply to the Sub-Fund, the mandatory collection is performed on a best efforts basis on the following indicators:

TABLE 1 - Principal adverse sustainability impacts statement

- 10. Violations of UN global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 13. Board gender
- 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

TABLE 3 - Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery manners

- 5. Lack of grievance/complaints handling mechanisms related to employee matters
- 6. Insufficient whistle-blower protection

Certain risk factors would eliminate the possibility of investment; in other cases the significance and relevance of risk are considered and identified. In most circumstances, the Sub-Fund will not go ahead with investments where both the significance and relevance of a non-compliance risk is high unless steps can be taken to mitigate it.

PAIs are be collected, monitored, analysed and reported on an annual basis and presented in the Sub-Fund annual report.

Investments will be approved and made by the Sub-Fund after due consideration of the level of the relevant Sustainability Risks and of mitigating factors that have been put in place as follows:

Risk	Details	Level	Mitigation
Bribery and corruption	Underlying businesses engage in corrupt	Low	• Bribery and corruption regulation is in place in Luxembourg and MFIs are required to respect this law

	practices with consequent legal and reputational issues		• Levels of corruption are analysed beforehand. They are taken into consideration in the investment decision-making process • Financing provided to institutions is to be exclusively used for the financing of microfinance activities • Checks are conducted on financial statements on a regular basis • Name checks are conducted on key individuals at time of disbursement
Environmental risk	The Fund supports MFIs with a low consideration of the environment in their business model which could lead to environmental degradation	Medium	• The Fund works closely with its Investment Adviser, ADA, to conduct due diligence. During this time, the MFI's business activities are carefully monitored to ensure that financing is not provided which could contribute to material adverse environmental impact • The Fund adopts an exclusion list prohibiting investments which are likely to have a substantial negative environmental impact
Governance	Fund works with MFIs which may have low levels of formalisation and weak governance	Medium	• Governance structures are systematically analysed during due diligence, including due diligence on directors and shareholders • Covenants can be placed on companies requiring certain minimum governance standards to be met • Local tax law is expected to be respected
Respect for Human Rights	Businesses do not give adequate regards to Human Rights in their practices	Low	• Human rights are enshrined in local laws which investee companies are required to respect • Investee MFIs are expected to maintain a strong social vision and mission which enshrines the importance of human rights • During due diligence, and through continued monitoring and covenants, the Fund places a high emphasis on initiatives which support the rights and protection of those living in poverty, notably the Smart Campaign, PPI and ALINUS
Social and Employee matters	Fund invests in MFIs which may have low governance standardised and a lack of formalisation of HR issues	Medium	• Fund has an exclusion list which has strict labour related requirements • All MFIs are expected to pay at least the relevant local minimum wage to all staff. Staff turnover and compensation are monitored during due diligence • All MFIs are expected to comply with their national employment law
Social Risk	The Fund financially supports MFIs which may have a low consideration of their social impact	Low	• Investments are specifically oriented towards MFIs with a strong social impact (the only exception is in the context of liquidity management). Investment provided by the Fund is for the sole purpose of supporting microfinance portfolios (where the potential for generating positive social impact is very high) • The Fund works closely with ADA to conduct due diligence. During this time, analysts ensure that MFIs adopt practices in keeping with their

			social vision and mission. Particular attention is paid to the principle of Fair Treatment of Customers. Where possible branch offices and microfinance clients will be visited to ensure that Fair Treatment is upheld in all MFI branches. • The ALINUS is run at the time of investment, allowing the Fund to benchmark each MFI's performance in core areas reflecting the formalisation of social performance • The Fund adopts an exclusion list prohibiting investments which are likely to have a substantial negative social impact • Covenants can be placed on companies requiring certain minimum governance, financial and/or social standards to be met • Monitoring of core social performance metrics from MFIs is received and analysed on a quarterly basis
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☐ No



What investment strategy does this financial product follow?

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

The Sub-Fund is a social venture capital fund, which will invest in promising MFIs, including networks of MFIs and other investment vehicles similar to itself (e.g. regional funds). The Sub-Fund will not directly engage with the end-clients of the MFIs (micro-entrepreneurs, small savers and insurance policy holders). This activity requires local presence and local knowledge and is best done by locally implanted MFIs. The Sub-Fund will remain a flexible and attentive partner that can offer tailor-made and innovative solutions to MFIs' financial needs. The Sub-Fund moreover strives to create linkages with actors providing technical assistance to MFIs. Given the Sub-Fund's focus on promising Tier 2 MFIs, significant synergies may be derived from the combination of financing with non-financial assistance. The Sub-Fund itself does not provide nor finance technical assistance to MFIs

The investment strategy of the Sub-Fund focuses on creating significant social impact and stable returns. By investing in microfinance institutions (MFIs), the Sub-Fund aims at meeting the financial needs of some of the most marginalised populations in the world with a particular focus on women, young people and people living in rural areas.

The Sub-Fund finances a wide range of microfinance institutions, the majority of which are non-profit structures or cooperatives. Debt securities are the instruments of choice for providing financing to microfinance institutions to develop their business models. The Sub-Fund is an open-ended SICAV and its diversified debt securities portfolio creates the cash flow necessary to balance the assets of the Fund and the structure of the shareholders.

The Sub-Fund cannot invest more than 5% of its net assets in a single counterparty and the concentration of risks per country cannot exceed 15%. The Sub-Fund's close collaboration with ADA, the investment adviser – ensures careful and regular monitoring of investments on

a quarterly basis and an annual site visit. Maintaining relationships has been key to achieving financial and social returns.

The Sub-Fund strives to create strong social impact and stable returns.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Sub-Fund's investment focus is on promising MFIs with positive social impact. Promising MFIs are institutions which have a proven business model, have reached or are close to reaching financial sustainability and have a strong social vision and mission focused on positive impact for the ultimate clients. In the case of promising MFIs using new technology and distribution models requiring substantial upfront investments, the Sub-Fund focuses on the financial sustainability of the micro-credit activity while ensuring that the capitalisation of the MFI as a whole and commitment of key shareholders is adequate in relation to potential or incurred operating losses.

The Sub-Fund will invest in the developing countries of Africa, Asia and Latin America.

For the identification of potential microfinance institutions (MFIs) it can invest in, the AIFM relies on investment advisers and on proposals from other institutions engaged in financing of MFIs and development cooperation. MFIs in developing countries may also initiate their own request for funding. The due diligence process includes an institutional and contextual analysis of the MFI, drawing upon qualitative as well as quantitative criteria. This analysis will look into the institutional structure of the MFI (history, governance, legal structure, human resources, etc.), it will assess its social profile (social mission, targeted clients, product offering, quality of established links with customers, etc.), and it will examine its financial robustness (cost coverage, capital structure, dependency on donors, portfolio quality, credit methodology, reserves and provisions, etc.). The analysis will draw upon the annual reports of the MFI, its financial accounts (preferably audited), and other available reports (e.g. rating report).

In addition to the institutional analysis, a country analysis is undertaken, to assess the environment the MFI operates in. This analysis consists in an evaluation of the country's political and macroeconomic situation, its social indicators, its legal and judicial environment, and the conditions of its financial sector, in particular the provision of financial services to the poor and the feasibility of cross-border transactions.

Coupled to the above analysis is a field visit, to verify, complete and deepen the information at the Sub-Fund's disposal. An important component of the field visit will lie in personal contacts with the managers of the MFI and may include a visit to micro-entrepreneurs who are clients of the MFI. The field visit will normally be conducted by an investment adviser.

If the MFI passes this screening successfully, the proposal is presented to the AIFM. The AIFM takes the final investment decision.

As a first step, the AIFM and its Investment Advisor have a rigorous selection process for MFIs. This includes an initial analysis of financial statements, leverage, delinquent loans, together with ensuring institutions have a strong social mission and are focused on financing income-generating activities. This is coupled with geographical analysis, which considers the economic, political, developmental and financial backdrop in potential geographies – with a focus always

on ensuring that financing reaches underserved areas. If this initial phase is satisfactory, the further analysis of the institutions is conducted, focusing on the organization and its governance, the products offered and the market including outreach, operating efficiency, strategy and the financial statements. An analysis of social considerations is incorporated into each of these areas and the ALINUS or other appropriate tools as per the Fund's SFDR Reporting Policy is also included in the investment file. An investment file incorporating these elements is then brought to the Investment Committee, which has experts from a range of fields, for approval. If the investment is approved, then it moves to contractualisation, with a contract incorporating a rigorous exclusion list and social, as well as financial, covenants. Subsequent monitoring incorporates both social and financial elements, and engagement may occur following any concerns raised by this.

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 AIFM conducts due diligence and uses its own internal investment template which incorporates an analysis of the shareholder structure, the Board and its committees, and human resources practices and tax compliance. This is enhanced through the use of the ALINUS or other appropriate tools as per the Fund's SFDR Reporting Policy, or similar tools which is systematically incorporated into the due diligence and in which governance is a key consideration. The analysis is also updated during routine monitoring conducted on each MFI.

The MFI will moreover be strongly encouraged to introduce within a reasonable time period regular external evaluation of its performance, both financial and social, through an external rating agency, if it has not yet done so. The Sub-Fund will withdraw its funding in case of serious violation of the contract.

It should, however, be noted that the Fund does work in complex geographies and with recently established institutions; given this, governance practices do not necessary reflect EU best practices.

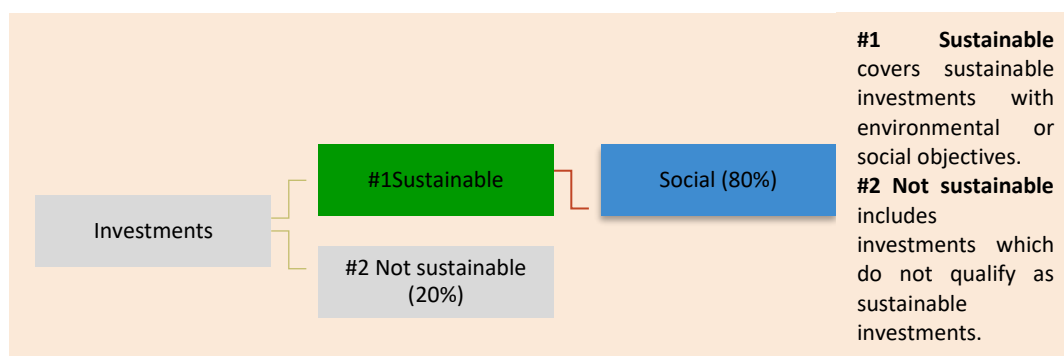
What is the asset allocation and the minimum share of sustainable investments?



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.



The Sub-Fund intends to hold at least 80% of total net assets in sustainable investments. The non-sustainable investments of the Sub-Fund include an intended 10% allocation to liquid assets in order to honour possible redemption requests received from shareholders on a quarterly basis. The Sub-Fund may also hold non-sustainable investments in the form of derivatives used for risk management or hedging purposes.

● ***How does the use of derivatives attain the sustainable investment objective?***

The Sub-Fund shall generally not invest in derivative instruments, other than currency or interest rate hedging instruments, debt swaps, sovereign default credit swaps, or similar agreements designed to manage risk associated with financial instruments or borrowings, and similar risk management derivatives, within the limits set forth in Appendix I “Special Investment and Hedging Techniques and Instruments” of the prospectus.

The Sub-Fund may use hedges to protect a known future commitment in a currency other than the Euro. This facilitates the provision of local currency loans to microfinance institutions. Otherwise, derivatives are not used to attain sustainable investment objectives.



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

Not applicable

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?



Yes:



In fossil gas



In nuclear energy



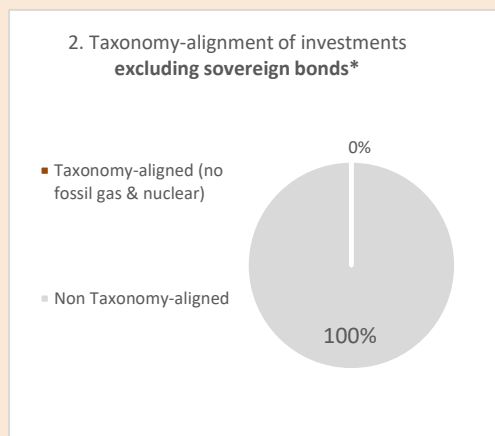
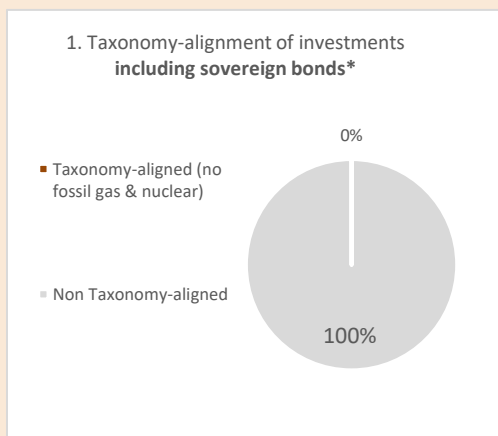
No

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

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

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

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.*



This graph represents 100% of the total investments.

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



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

Not applicable

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



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

Not applicable



What is the minimum share of sustainable investments with a social objective?

The Sub-Fund allocates all its investments into Microfinance or institutions which facilitate microfinance: such institutions contribute to the alleviation of poverty in developing countries through the provision of permanent and adapted financial services to marginalised communities and individuals. The Sub-Fund commits to make a minimum of sustainable investments with a social objective of 80%. Liquid assets and derivatives may constitute in rare circumstances more than 20% of total net assets of the Sub-Fund, however such circumstances are temporary and do not reflect the long-term objective of the Sub-Fund.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund intends to allocate 10% of net assets to liquid assets classed as non- sustainable investments to honour possible redemption requests received from shareholders on a quarterly basis. The Sub-Fund may additionally invest in derivative instruments used for risk management and hedging purposes and not classed as sustainable investments.

The Sub-Fund does consider minimum environmental or social safeguards in the selection of local credit institutions in which the Sub-Fund places liquid assets. This includes the credit institution’s commitment towards sustainability, for example expressed in their membership in the Inspiring More Sustainability (IMS) network, Luxembourg member of CSF Europe or their offering of sustainable investment products.

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives – 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.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable

- *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable



Where can I find more product specific information online?

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

More product-specific information can be found

On the website: <https://www.lmdf.lu> or

At the registered office of the Sub-Fund: 39, rue Glesener, L-1631 Luxembourg, Grand Duchy of Luxembourg.

APPENDIX III

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 for the Sub-Fund Female Entrepreneurs Fund.

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088

Legal entity identifier: 636700YZ2U1FVEPDB996

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.

Does this financial product have a sustainable investment objective?

Yes	No
It will make a minimum of sustainable investments with an environmental objective: ____% - in economic activities that qualify as environmentally sustainable under the EU Taxonomy - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy - with a social objective
It will make a minimum of sustainable investments with a social objective: 80%	It promotes E/S characteristics, but will not make any sustainable investments

The Sub-Fund has a sustainable investment objective but may hold on to an ancillary basis of liquid assets, guarantees backed by cash deposits and derivative instruments used for risk management purposes. These assets are not considered sustainable investments. Liquid assets and derivatives may constitute, in rare circumstances, more than 20% of the total net assets of the Sub-Fund, however such circumstances are temporary and do not reflect the long-term objective of the Sub-Fund.



The objective of the Female Entrepreneurship Facility Sub-Fund (hereinafter referred to as “FEF”) is to make sustainable investment within the meaning of Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFDR”).

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Regulation”) by contributing to the financial inclusion of women by improving their access to financial services.

Despite empirical and documented evidence that female entrepreneurs represent a similar or better risk than their male counterparts, when approving loans for Small and Medium Sized Enterprises led by women, approval rates for female entrepreneurs are lower and amounts smaller. The objective of the Sub-Fund is to put in motion a process to change biases and perceptions causing this situation. More specifically, the long-term objective of the Sub-Fund aims to ensure permanent changes in the underwriting principles by which financial intermediaries evaluate the risk of small and medium-sized enterprises led by women.

The Sub-Fund has two principal objectives: social and financial. Specifically, increase access to financial services by enhancing access to credit for women-led businesses in countries who are member of the Central American Integration System (SICA), specifically Guatemala, El Salvador, Honduras, Belize, Nicaragua, Costa Rica, Panama, and the Dominican Republic, as well as generate sufficient income to sustain its own operations and give its Shareholders a financial return.

The Sub-Fund invests in promising financial intermediaries (FIs) so that these institutions improve the provision of services to female entrepreneurs in the SICA region.

FIs will be selected based on their experience providing credit to Small and Medium Entrepreneurs (SMEs), financial performance, financial soundness, and a clear vocation to address gender inequality.

In order for the Sub-Fund to achieve its ambitious objectives, the promoters of the Sub-Fund are also launching a Technical Assistance program, that shall be directed to the FIs as well as to the women led small and medium enterprises in the SICA region.

In pursuance of its objectives, the Sub-Fund may invest in debt in FIs or other financial inclusion-related products.

The Sub-Fund is not pursuing an environmental objective as defined in Article 9 of EU Regulation 2020/852.

The Sub-Fund’s investment strategy is not aligned to any reference benchmark.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Sub-Fund’s investment focus is on FIs with an interest in having a positive social impact and a proven business model. FIs are expected to have reached financial sustainability and have a strong social vision and mission focused on positive impact for the ultimate clients. The Sub-Fund focuses on the financial sustainability of the credit activity and solvency of the FI. The commitment of the FI, its board of directors, shareholders and other stakeholders is important to ensure alignment with the Sub-Fund’s vision.

A specialised investment adviser is appointed to monitor the social performance of the Sub-Fund.

The Sub-Fund has established a series of key performance indicators at the level of the FIs and the level of the end client intended as the SMEs.

The key performance indicators used to measure the attainment of the sustainable investment objective at the FI level are:

Key performance indicator
Impact indicators at the level of the FI – Client outreach
Percentage of women clients, including SMEs led by women.
Percentage of portfolio disbursed to women during the period
Average amount disbursed to women
Percentage of loans to women with a delay of cash-flows more than 30 days (PAR 30)
Impact indicators at the level of the FI – Organization and culture
Percentage of women in the workforce
Percentage of women senior managers
Percentage of women on the Board / Board gender diversity
Gender Wage Equity / Unadjusted gender pay gap
Non-discrimination policy
Women career progression promotion / activities
Impact indicators at the level of women-led businesses
No. of loans disbursed under the FEF
Amount disbursed under the FEF
Business founded by a woman
Percentage of women in the workforce of the SME
Percentage of women as senior managers of the SME

The Sub-Fund strives to deliver a positive impact and expects portfolio companies' commitment and high environmental, social and governance standards. At the best of its capacity, the Sub-Fund will track its contribution to the following UN Sustainable Development Goals (SDGs): N° 1 - No Poverty, goal N°5 - Gender equality, goal N° 8 - Decent work and economic growth, goal N° 10 - Reduced inequality, and goal N° 17 - Partnership for the goals.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

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

The Sub-Fund collects data for the mandatory indicators specified in Table 1 of Annex I of the final draft RTS on a best-effort basis. In relation to the mandatory Principal Adverse Impacts (PAIs) that apply to the Sub-Fund, the mandatory collection is performed on a best-efforts basis on the following indicators. Ongoing efforts are made to ensure constant refinement and updates of the various methodologies used to calculate the different principles of adverse impact.

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.

TABLE 1 - Principal adverse sustainability impacts statement
Climate and other environment-related indicators

Greenhouse gas emissions	1. GHG emissions	Calculated as proxy data, greenhouse gas emissions in tonnes of the financial institution (FI) in the portfolio weighted by the company's most recent available business value calculated (PCAF project finance approach).
	Scope 1 GHG emissions	
	Scope 2 GHG emissions	
	Scope 3 GHG emissions	
	Total GHG emissions	
	2. Carbon footprint	Calculated per the guidelines provided in Annex 1 Regulation (EU) 2019/2088
	3. GHG intensity of investee companies	
	4. Exposure to companies active in the fossil fuel sector	Not applicable. However, to serve the spirit of the regulation in determining the impact of FMPs, efforts are being made to calculate or estimate the fossil fuel exposure of the FI's underlying portfolio. All contracts signed by the portfolio investees forbid investees from engaging in any activity linked to fossil fuels.
	5. Share of non-renewable energy consumption and production	Calculated using proxy data by attributing the renewable energy share in total final energy consumption (TFEC) as reported by the latest UN Energy statistics pocketbook to the countries where the investees are located
	6. Energy consumption intensity per high impact climate sector	Non-applicable FIs do not classify as high-impact climate sectors. However, to serve the spirit of the regulation in determining the impact of FMPs, efforts are being made to calculate or estimate if any indirectly financed sectors might create a high impact on climate.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Calculated on using a sampling approach (i.e., branch location and share of agro portfolio) and information available from the World Database score of Key Biodiversity Area as reported by the Integrated Biodiversity Assessment Tool (IBAT) as an indication for biodiversity sensitive areas.
Water	8. Emissions to water	Non-applicable as FIs generate negligible emissions to water. However, to serve the spirit of the regulation in determining the impact of FIs, efforts are being made to calculate or estimate the MFI's underlying portfolio emissions to water.
Waste	9. Hazardous waste ratio	Calculated using proxy data as hazardous waste generated per capita (kg per capita) reported by UNSD to the countries where the investees are located and the share of clients served.
Indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters		
Social and employee matters	10. Violations of UN global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The due diligence process included a review of the organisation's labour relations and working practices, including written human resources policies protecting employees and creating a safe working environment, transparent communication, equal opportunities and effective feedback mechanisms. Discrimination against protected categories and responsible loan collection practices were also verified. FIs are monitored with World Check to ensure no serious violations are committed.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD	The due diligence process included a review of the organisation's labour relations and working practices, including written human resources policies protecting employees and creating a safe working environment, transparent

	Guidelines for Multinational Enterprises	communication, equal opportunities and effective feedback mechanisms. Discrimination against protected categories and responsible loan collection practices were also verified. Considering that emerging microfinance institutions may be small with limited staff and a limited degree of formalised procedures, it is acceptable that a small portion of the portfolio is implementing and enhancing certain practices as prescribed in the UNGC and by the OECD Guidelines.
	12. Unadjusted gender pay gap	Calculated as the difference between male-paid employees' average gross hourly earnings and female-paid employees as a percentage of average gross hourly earnings of male-paid employees.
	13. Board gender diversity	Calculated as the average ratio between male and female board members in investee companies, expressed as a percentage of all board members.
	14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Calculates as a share of investees involved in manufacturing or selling controversial weapons. All investees are required to sign a clear exclusion list to be attached to the contract.

TABLE 3 - Additional indicators for social and employee, respect for human rights, anti-corruption, and anti-bribery manners

5. Lack of grievance/complaints handling mechanisms related to employee matters	It is verified at the time of the due diligence process and as part of the ongoing monitoring of the FI. Considering the small size and initial stage of development of the investees in the Sub-Fund portfolio, it is considered acceptable that a small portion of the portfolio is in the process of implementing and enhancing certain practices as prescribed by the specific indicator
6. Insufficient whistle-blower protection	

Key potential sustainability risks are monitored via appropriate due diligence conducted during the investment process, though, among others, the Alinus, an assessment tool for impact-driven organisations that promotes a common language for measuring impact performance and implementing the Universal Standards for Social and Environmental Performance Management (SEPM). The due diligence results using the Alinus tool are submitted to the Investment Committee for revision and approval.

The Sub-Fund establishes a series of key performance indicators to monitor the outreach. It does not have a specific environmental objective and is not aligned with the objectives of the Paris Agreement, but it does take measures (including the adoption of an exclusion list) to ensure no significant harm is caused in this regard through its financing.

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

The Sub-Fund strives to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. It invests in FIs, which are formal, often regulated institutions. The Sub-Fund due diligence process includes a review of the organisation's labour relations and working practices, including

written human resources policies protecting employees and creating a safe working environment, transparent communication, and effective feedback mechanisms. Particular emphasis will be placed on fair treatment, equal opportunities and the gender pay gap.

Client rights are verified during the due diligence by reviewing the institution's approach towards fair and respectful treatment of clients in line with the internal code of conduct that is expected to spell out the organisational standards of professional conduct and values. The FIs are also required to present policies and documented processes to avoid discrimination against protected categories and collect loans from customers in the appropriate manner. In line with the spirit of the Sub-Fund, the FI–client relationship assessment will focus on the system and process in place to encourage women's engagement and uptake of the financial services offered.

The Fund fosters its investees to consider environmental risks, manage them proactively, and facilitate business opportunities based on green technologies.



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

Yes

Data is collected on a best-efforts basis and published annually on the Sub-Fund's website (O/S).

The due diligence process includes an institutional and contextual analysis of the FI, drawing upon qualitative and quantitative criteria. This analysis will look into the institutional structure of the FI (background, governance, legal structure, human resources, etc.), it will assess its social profile (social mission, targeted clients, product offering, quality of established links with customers, etc.), and it will examine its financial robustness (cost coverage, capital structure, dependency on donors, portfolio quality, credit methodology, reserves and provisions, etc.). During the investment process of the Sub-Fund, key potential Sustainability Risks are categorised on the basis of the level of their potential adverse social and environmental impacts (i.e. significant, limited or minimal impact) and reasons, taking into account the possibility of implementing mitigation measures taken into account.

In relation to the mandatory Principal Adverse Impacts (PAIs) that apply to the Sub-Fund, the mandatory collection is performed on a best-efforts basis on the following indicators:

TABLE 1 - Principal adverse sustainability impacts statement

- 1. GHG emissions;
- 2. Carbon footprint;
- 3. GHG intensity of investee companies;
- 4. Exposure to companies active in the fossil fuel sector;
- 5. Share of non-renewable energy consumption and production;
- 6. Energy consumption intensity per high impact climate sector;

- 7. Activities negatively affecting biodiversity-sensitive areas;
- 8. Emissions to water;
- 9. Hazardous waste ratio;
- 10. Violations of UN global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
- 12. Unadjusted gender pay gap;
- 13. Board gender diversity;
- 14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

TABLE 3 - Additional indicators for social and employee, respect for human rights, anti-corruption, and anti-bribery manners

- 5. Lack of grievance/complaints handling mechanisms related to employee matters;
- 6. Insufficient whistle-blower protection.

Certain risk factors would eliminate the possibility of investment; in other cases, the significance and relevance of risk are considered and identified.

In most circumstances, the Sub-Fund will not go ahead with investments where the significance and relevance of a non-compliance risk is high unless steps can be taken to mitigate it.

PAIs are collected, monitored, analysed and reported annually and presented in the Sub-Fund annual report.

Investments will be approved and made by the Sub-Fund after due consideration of the level of the relevant Sustainability Risks and of mitigating factors that have been put in place as follows:

Risk	Description	Risk grade	Mitigation factors
Bribery and corruption	Underlying businesses engage in corrupt practices with consequent legal and reputational issues	Low	• Levels of corruption are analysed beforehand and are taken into consideration in the investment decision-making process • Financing provided to institutions is to be exclusively used for the financing of the Sub-Fund related activities • Checks are conducted on financial statements on a regular basis • Name checks are conducted on key

			individuals at the time of disbursement and on-going monitoring • Sanctions and disputes in court with local authorities and/or employees and clients are assessed and monitored.
Governance	The Sub- Fund works with FIs, which may have low levels of formalisation and weak governance	Medium	• Governance structures are systematically analysed during due diligence, including a review on directors and shareholders • Covenants can be placed on companies requiring certain minimum governance standards to be met • Local tax law is expected to be respected
Environmental risk	The Sub- Fund supports FIs with a low consideration of the environment in their business model, which could lead to environmental degradation	Medium	• During the due diligence the FI business activities are carefully assessed and monitored to ensure that financing is not provided which could contribute to material adverse environmental impact • The Sub-Fund adopts an exclusion list prohibiting investments which are likely to have a substantial negative environmental impact
Respect for Human Rights	Businesses do not give adequate regard to Human Rights in their practices	Low	• Human rights are enshrined in local laws, which investee companies are required to respect • Investee FIs are expected to maintain a strong social vision and mission which enshrines the importance of human rights • During due diligence and through continued monitoring and covenants, the Sub-Fund highly emphasises initiatives supporting the rights and protection of those living in poverty, notably the Client Protection Pathway, PPI and Alinus.
Social and Employee matters	The Sub-Fund invests in FIs which may have low governance standardised and a lack of formalisation of HR issues	Medium	• The Sub-Fund has an exclusion list has strict labour-related requirements • All FIs are expected to pay at least the relevant local minimum wage to all staff. Staff turnover and

			compensation are monitored during due diligence • All FIs are expected to comply with their national employment law • All FIs are expected to have minimum standards of non-discrimination policies and processes in place.
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 No



What investment strategy does this financial product follow?

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

The Sub-Fund is a social venture capital fund whose investment focuses on FIs with an interest in having a positive social impact and a proven business model. The potential investees of Sub-Fund will be FIs with different structures, regulatory status and/or legal forms. This may include banks, non-banking financial institutions, microfinance institutions (MFIs), savings and credit unions (CAC), private non-profit organisations, non-governmental organisations (NGOs), Fintechs, cooperatives with an already consolidated credit component, or other local market entities such as accelerators.

The products to be offered by the Sub-Fund will consider the analysis of the relevant environment, specifically, both the demand and the existing supply in the countries of the SICA region. This is to avoid duplication in the supply of services, particularly considering the region's existing financing offer to FIs. The Sub-Fund's investments may include but are not limited to, various loan products such as senior secured, unsecured and subordinated loans or other interest-bearing instruments, issuance of guarantees and letters of credit. This illustrative list does not prevent the Sub-Fund from investing in other instruments.

In order to fulfil its strategy, the Sub-Fund works in close collaboration with the investment adviser, who is responsible for identifying, prospecting, analysing, and monitoring all FIs financed by the Sub-Fund. The adviser will also be responsible for negotiating the terms of the Sub-Fund's financial instruments and monitoring such instruments' performance. Likewise, it will be responsible for the monitoring of social impact and the preparation of impact reports.

In partnership with the promoter of the Sub-Fund, a Technical Assistance (TA) program is promoted. The TA shall be directed to the FIs and the women-led small and medium enterprises in the SICA region. Funding for this TA will come from non-reimbursable resources expected to be provided by various donors.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The most relevant factor for selecting an FI will be its experience in providing credit to Small and Medium Entrepreneurs (SMEs), financial performance, financial soundness, and a clear vocation to address gender inequality. Regardless of their legal form, all the investees must have an appropriate structure for granting loans to SMEs and comply with the criteria and standards

established by the Sub-Fund. The selection criteria have been built to ensure that the Sub-Fund fulfils its mission of improving women's financial inclusion in the region and, on the other, to ensure that the Sub-Fund can accomplish its financial objectives.

In order for the Sub-Fund to achieve its ambitious objectives of “moving the needle” in terms of changing the underwriting principles utilised by FIs when reviewing potential loans to women-led enterprises and consequently improve financial inclusion for women, the promoter of the Sub-Fund has identified key binding elements to be used to select the investments that ensure the attainment of the strategy and the sustainable investment objective.

These selection criteria are listed below.

- Impact criteria

A key factor for the success of the Sub-Fund is the commitment of participating FIs to the objectives of the Sub-Fund. Consequently, the Sub-Fund will take into account, in addition to the products that the FI offers and/or plans to offer to female entrepreneurs, whether they maintain a credit portfolio in the Target Market, the interest they charge, experience in developing new products and/or internal processes to serve this segment better. Examples of innovative product features include loans with variable payments depending on the level of sales of the entrepreneurs or which provide insurance for temporary inability to make loan payments during maternity leave or accident insurance for the entrepreneur or a close relative.

The Sub-Fund has developed dedicated key performance indicators that will help to measure the development of business skills of women entrepreneurs while monitoring the degree of commitment of the FI related to the issue of female entrepreneurship.

- Financial criteria

The selection criteria for FIs will also aim to ensure the Sub-Fund's financial health. Consequently, in addition to investing in FIs with a close alignment with the objectives of the Sub-Fund, it will apply a rigorous credit evaluation methodology utilising tools such as the CAMEL³ rating.

The due diligence process includes an institutional and contextual analysis of the FI, drawing upon qualitative and quantitative criteria. This analysis will look into the institutional structure of the FI (history, governance, legal structure, human resources, active social vocation, etc.), it will assess its social profile (social mission, targeted clients, product offering, quality of established links with customers, etc.), and it will examine its financial robustness (cost coverage, capital structure, dependency on donors, portfolio quality, credit methodology, reserves and provisions, etc.). The analysis will draw upon the annual reports of the FI, its financial accounts (preferably audited), and other available reports (e.g., rating reports).

In addition to the institutional analysis, a country analysis is undertaken to assess the environment in which the FI operates. This analysis consists of evaluating the country's political and macroeconomic situation, its social indicators, its legal and judicial environment, and the

³ CAMEL for Capital Adequacy, Asset Quality, Management/Governance, Equity and Liquidity

conditions of its financial sector, particularly the provision of financial services to the poor and the feasibility of cross-border transactions.

Coupled with the above analysis is an onsite visit to verify, complete and deepen the information compiled by the investment adviser. An important component of the onsite visit will lie in personal contact with the managers of the FI and may include a visit to entrepreneurs who are clients of the FI.

If the FI passes this screening successfully, the proposal is presented to the Investor Committee of the AIFM.

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

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

The Sub-Fund conducts due diligence and uses its internal investment template, which incorporates an analysis of the shareholder structure, the Board and its committees, human resources practices, and tax compliance. This is enhanced through using the Alinus (an assessment tool for impact-driven organisations that promotes a common language for measuring impact performance and sustainable investment practises) or similar tools, which are systematically incorporated into the due diligence and in which governance is a key consideration.

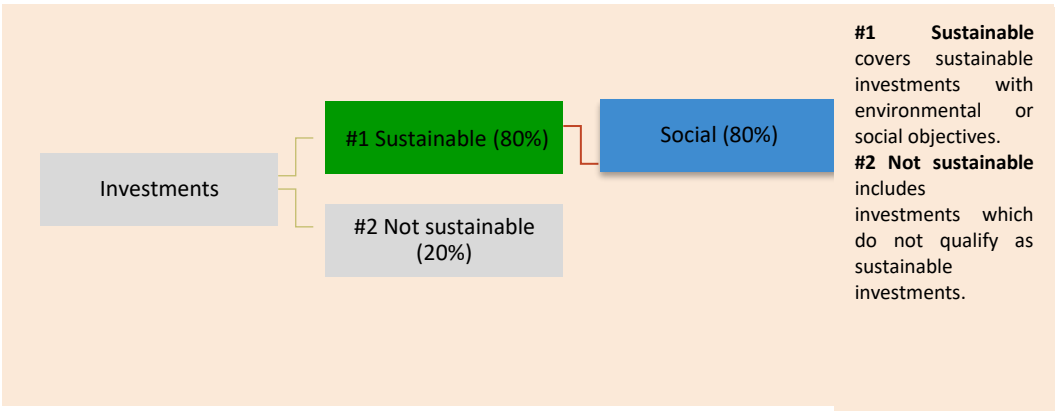
The analysis is also updated during routine monitoring conducted on each FI. The FI will be strongly encouraged to introduce regular external evaluation of its financial and social performance within a reasonable period through an external rating agency if it has not yet done so.



Asset allocation describes the share of investments in specific assets.

The Sub-Fund will withdraw its funding in case of serious contract violation. However, it should be noted that the Fund works in complex geographies and with recently established institutions; given this, governance practices do not necessarily reflect EU best practices.

What is the asset allocation and the minimum share of sustainable investments?



Taxonomy-aligned activities are expressed as a share of:

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

The Sub-Fund intends to hold at least 80% of total net assets in sustainable investments. The non-sustainable investments of the Sub-Fund includes liquid assets which the Sub-Fund may hold from time to time. The Sub-Fund may also hold non-sustainable investments in derivatives used for risk management or hedging purposes. Finally, the Sub-Fund may use guarantees as part of its investment strategy. Guarantees are issued by highly credit rated credit institutions against deposit of liquidity. The liquidity deposit is a non-sustainable investment.

How does the use of derivatives attain the sustainable investment objective?

The Sub-Fund shall generally not invest in derivative instruments other than currency or interest rate hedging instruments, debt swaps, sovereign default credit swaps, or similar agreements designed to manage risk associated with financial instruments or borrowings and similar risk management derivatives within the limits set forth in Appendix I “Special Investment and Hedging Techniques and Instruments” of the prospectus. The Sub-Fund may use hedges to protect a known future commitment in a currency other than the US-Dollar. This facilitates the provision of local currency loans to microfinance institutions. Otherwise, derivatives are not used to attain sustainable investment objectives.



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

Not applicable

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁴?**

☐

Yes:

☐

In fossil gas

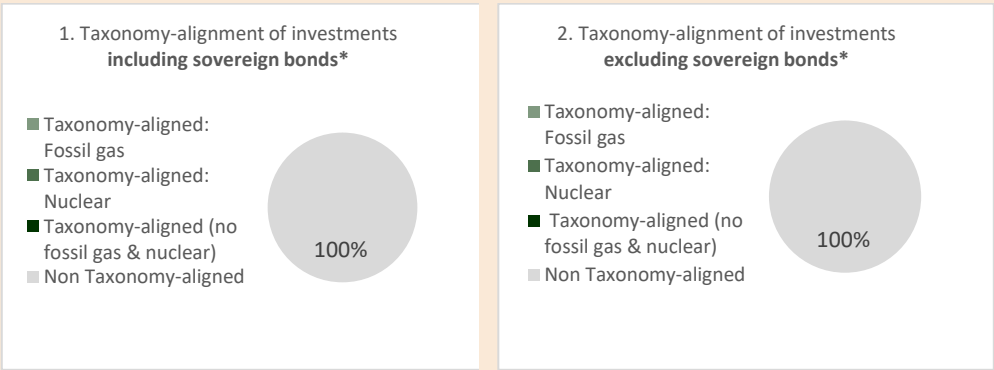
☐

In nuclear energy

☒

No

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



** For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.*

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

Not applicable

⁴ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - 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. - 172



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



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

Not applicable



What is the minimum share of sustainable investments with a social objective?

The Sub-Fund allocates all its investments into promising FIs so that these institutions improve the provision of services to female entrepreneurs in countries member of the Central American Integration System. The Sub-Fund aims at enhancing access to credit for women-led businesses as well as generating sufficient income to sustain its own operations and give its Shareholders a financial return.

The Sub-Fund commits to making a minimum of sustainable investments with a social objective of 80%. Liquid assets, guarantees and derivatives may constitute, in rare circumstances, more than 20% of the total net assets of the Sub-Fund, however, such circumstances are temporary and do not reflect the long-term objective of the Sub-Fund.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may invest in derivative instruments used for risk management and hedging purposes and not classed as sustainable investments. The Sub-Fund may use guarantees backed by liquid deposit at a credit institution as part of its investment strategy

The Sub-Fund considers minimum environmental or social safeguards in selecting local credit institutions in which the Sub-Fund places liquid assets. This includes the credit institution's commitment towards sustainability, for example, expressed in their membership in the Inspiring More Sustainability (IMS) network, Luxembourg member of CSR Europe or their offering of sustainable investment products



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable

● ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable



Where can I find more product specific information online?

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

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

O/S

or

At the registered office of the Sub-Fund: 39, rue Glesener, L-1631 Luxembourg, Grand Duchy of Luxembourg.

