

**Allspring Worldwide Alternative Fund SICAV-SIF**  
***Société d'Investissement à Capital Variable – Fonds d'Investissement Spécialisé***

Registered office: 80, Route d'Esch, L-1470 Luxembourg

**PROSPECTUS**

**November 2024**

Allspring Worldwide Alternative Fund SICAV-SIF has the structure of an umbrella fund and offers various classes of shares relating to a separate portfolio ("Sub-Funds") as specified in the description of the relevant Sub-Fund in the Appendix.

## **Important Information**

This offering document (the "Prospectus") comprises information relating to Allspring Worldwide Alternative Fund SICAV-SIF (the "Fund") which is registered with the Luxembourg Trade and Companies Register and organised in accordance with the Luxembourg law of 13 February 2007 relating to specialised investment funds, as amended.

This Prospectus in its current version may be amended and updated in the future.

**For definitions of capitalised terms, prospective Investors should refer to the section entitled "GLOSSARY OF TERMS".**

All decisions to subscribe for or purchase Shares (as defined hereinafter) are deemed to have been made solely on the basis of the information contained in this Prospectus accompanied by the latest available annual report of the Fund. All other information given or representations made by any person must be regarded as unauthorised. 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.

The Board is responsible for the information contained in the Prospectus. To the best of the knowledge and belief of the Board 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.

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

The Articles (as defined hereinafter) and the most recent annual financial report of the Fund, once published, are available at the registered office of the Fund and will be sent to Investors upon request. The Articles shall be deemed to form part of the Prospectus. Prospective Investors should carefully review the Articles and note that, should any provision of the Articles as summarised in this Prospectus be inconsistent with the Articles, the Articles shall prevail.

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

## **Investor Eligibility**

**Shares are reserved for Eligible Investors who are aware of the risks attaching to an investment in the Fund and accept that they will have recourse only to the Fund's assets as these will exist at any time.**

These Eligible Investors may include, *inter alia*, pension funds, governments and government agencies or institutions, commercial and industrial group companies, investment funds/companies, financial companies investing for their own account, discretionary investment managers investing on behalf of their clients and, in certain limited cases, high net worth families or individuals.

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 or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer. 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, amongst other things, he it is able to acquire Shares without violating applicable laws. Power is reserved in the Articles to compulsorily redeem any Shares held directly or beneficially in contravention of these prohibitions.

#### *European Economic Area*

The distribution of this Prospectus and the offering of Shares in certain other jurisdictions may be restricted in particular pursuant to selling restrictions set out in the AIFM Directive (as defined hereafter) and applicable local rules and regulations. 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.

The Fund may be offered for sale in European Economic Area ("EEA") Member States subject to passport notification in countries other than Luxembourg and subject to local marketing rules.

#### *United States of America*

The Shares have not been and will not be registered under the US Securities Act of 1933 and the Fund has not been and will not be registered under the US Investment Company Act of 1940. Accordingly, Shares may not be offered, sold, transferred, or delivered, directly or indirectly, in the US or to any US Person (as defined in US federal securities laws), except in compliance with the securities laws of the US and of any state thereof in which such offer or sale is made.

#### *Japan*

The Shares of the Fund may not be offered for a public offering in Japan unless a securities registration statement pursuant to article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (including any amendments or successor laws, the "FIEA") has been filed with the Director of the Kanto Local Finance Bureau of the Ministry of Finance of Japan. No securities registration statement for a public offering has been filed or will be filed with respect to the solicitation for the purchase of the Shares of the Fund in Japan as the offering of the Shares will be a private placement limited to Qualified Institutional Investors only (which Shares may only be transferred to other Qualified Institutional Investors) as set forth in article 2, paragraph 3, item 2(a) of the FIEA. "Qualified Institutional Investors" (*tekikaku kikan toushika*) are such persons defined under article 2, paragraph 3, item 1 of the FIEA and article 10 of the Cabinet Office Ordinance Regarding Definitions under article 2 of the FIEA.

Each Shareholder who is solicited to subscribe for Shares of the Fund in Japan ("Japanese Shareholder") will be required to represent and confirm in the subscription agreement that it was a Qualified Institutional Investor at the time that it subscribed for or acquired Shares in the Fund and such Japanese Shareholder shall agree to maintain its status as a Qualified Institutional Investor during the time it holds Shares in the Fund. In addition to any other applicable transfer restrictions as set forth in the Articles of the Fund and in this Prospectus, each Japanese Shareholder will be required to agree in the subscription agreement not to directly or indirectly, sell, exchange, assign, mortgage, hypothecate, pledge or otherwise transfer its Shares (or any interest therein) in whole or in part to any party other than to another Qualified Institutional Investor. Transferees of the Japanese Shareholder will be required to agree to comply with the foregoing transfer restriction and at the time of the transfer of such Shares, the transferor must provide written notification to the transferee that (a) no securities registration statement has been filed or will be filed under article 4, paragraph 1 of the FIEA and (b) the Shares are subject to the foregoing transfer restriction.

The Fund has filed a notification with the Commissioner of the Financial Services Agency of Japan (the "FSA") pursuant to the Act on Investment Trusts and Investment Corporations of Japan in connection with the private placement of Shares in Japan. A report with respect to the placement and redemption of Shares may be filed by the Fund with the Ministry of Finance of Japan as required in accordance with the terms and conditions of the Foreign Exchange and Foreign Trade Act of Japan.

Notwithstanding any language in this Prospectus to the contrary, the Shares offered hereby have not been approved or disapproved by any regulatory authority of Japan.

#### *South Korea*

In Korea, this document is provided solely as requested through a duly appointed placement agent, and should not be construed in any way as the Fund, the Investment Manager or any of their affiliates soliciting an investment, offering to sell the Shares in the Fund or making a public offering of securities in the Republic of Korea ("Korea").

Neither the Fund, nor the Investment Manager is making any representation with respect to the eligibility of any recipients of this document to acquire the Shares in the Fund under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Act and the regulations promulgated thereunder. The Fund has been registered as a foreign collective investment scheme under the Financial Investment Services and Capital Markets Act of Korea ("FSCMA") and Shares in the Fund are being offered and sold in Korea only to professional investors prescribed by Article 301, Paragraph 2 of the Enforcement Decree of the FSCMA. None of the Shares in the Fund may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, Shares in the Fund may not be re-sold to Korean residents unless the purchaser of the Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Act and its subordinate decrees and regulations) in connection with purchase of the Shares in the Fund.

#### *United Kingdom*

This Prospectus has not been approved by an authorised person (as defined below) for the purpose of section 21(2)(b) of the Financial Services and Markets Act 2000 (the "FSMA"). The Investment Manager has made a notification to the Financial Conduct Authority in accordance with the Alternative Investment Fund Managers Regulations 2013 as amended (the "2013 Regulations") to market the Fund and the Sub-Funds into the United Kingdom. The Prospectus is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are professional investors and (i) who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the order, or (iii) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). The Prospectus must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. Any investment or investment activity to which the Prospectus relates is only available to, and will be engaged in with, relevant persons. Recipients must not distribute, publish, reproduce, or disclose this Prospectus, in whole or in part, to any other person. The publication of a prospectus is not required under Section 85 of FSMA and any offer which may be made of Shares in the Fund will be: (i) limited to fewer than 150 natural or legal persons in the United Kingdom or any other EEA Member State, other than qualified investors (within the meaning of section 86 of FSMA); and/or (ii) made on the basis that the minimum consideration payable by any investor in the

Fund will not be less than EUR 100,000. To the extent the Shares are marketed in the United Kingdom to professional investors (as defined in the 2013 FCA Regulations) the Investment Manager will comply with the notification requirements set out in the 2013 Regulations.

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**This Prospectus is not available in French.** Please note, however, that it may be translated into other languages, including French, if requested. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail to the extent permitted by the applicable laws or regulations, and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Luxembourg.

**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 drawn to the disclosure under "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES".**

**In addition, the Fund's investments are subject to market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. It will be the policy of the Board to maintain a diversified portfolio of investments.**

**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.**

**Past performance is not indicative and is no guarantee of future returns.**

## **Data Protection**

The Fund together with Allspring Global Investments Luxembourg S.A. ("Allspring Luxembourg"), as the AIFM and Global Distributor may, themselves or through the use of service providers, collect, store on computer systems or otherwise and further process, by electronic or other means, personal data (i.e. any information relating to an identified or identifiable natural person, the "Personal Data") concerning you as a Shareholder and your representative(s) (including, without limitation, legal representatives and authorised signatories), employees, directors, officers, trustees, settlors, their shareholders and/or unitholders, nominees and/or ultimate beneficial owner(s), as applicable ("Data Subjects"). Failure to provide certain requested Personal Data may result in the impossibility to invest or maintain Shares of any of the Sub-Funds.

To achieve the Purposes and comply with the Compliance Obligations as defined below, Personal Data provided or collected in connection with an investment in the Fund will be disclosed by the Fund and Allspring Luxembourg as joint data controllers (the "Controllers") to, and processed by, as Allspring Luxembourg acting as the AIFM and Global Distributor and its appointed and Affiliated Sub-Distributors, the Depositary, the Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent (together the "Administrative Agent"), the Investment Manager, the Auditors, the legal advisers, and any of the affiliates of Allspring Luxembourg and other potential service providers of the Fund or of Allspring Luxembourg (including their respective information technology providers, cloud service providers

and external processing centres) and any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns, acting as processors on behalf of the Fund and of Allspring Luxembourg (the "Processors"). In certain circumstances, the Processors may also process Personal Data of Data Subjects as independent Controllers, in particular for compliance with their legal obligations in accordance with laws and regulations applicable to them (such as anti-money laundering identification) and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities. In some jurisdictions, the service providers acting as local paying agents ("LPA"), not members of Allspring Holdings and specified in the relevant sales documents, may use the Personal Data of the Data Subjects where it is necessary for compliance with obligations arising from tax legislation, in order to discharge the LPA's duties as tax substitute of these Data Subjects for the payment of the fiscal withholdings applicable at investors' level to capital gains under the laws of such jurisdictions. Additionally, the LPA may process the Personal Data of the Data Subjects for the purpose of performance of contractual duties in connection with their appointment as nominees of these Data Subjects/underlying investors, and in order to facilitate the exercise of the corporate rights of these persons as if they were registered shareholders. The LPA, in respect of these specific uses of the Personal Data, act as Controllers.

The Controllers and Processors will process Personal Data in accordance with Regulation (EU) 2016/679 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 "European Union General Data Protection Regulation"), the European Union General Data Protection Regulation in such form as incorporated into the law of England and Wales, Scotland and Northern Ireland by virtue of the European Union (Withdrawal) Act 2018 and any regulations thereunder, and the Data Protection Act 2018 of the United Kingdom, as well as any law or regulation relating to the protection of personal data applicable to them, as any of such instruments may be modified or complemented from time to time (together the "Data Protection Legislation").

Further (updated) information relating to the processing of Personal Data of Data Subjects may be provided or made available, on an ongoing basis, through additional documentation and/or, through any other communications channels, including electronic communication means, such as electronic mail, internet/intranet websites, portals or platform, as deemed appropriate to allow the Controllers and/or Processors to comply with their obligations of information according to Data Protection Legislation.

Personal Data may include, without limitation, the name, address, telephone number, business contact information, investment preferences and invested amount, transaction history, know your customer information concerning you as a data subject (including, but not limited to residential address, date of birth, tax residency, nationality, copies of proof of identity documents which may include a photograph, tax identification numbers, and source of wealth) and any other Personal Data that is necessary to the Controllers and Processors for the purposes described below. Personal Data is collected directly from Data Subjects by the Controllers and Processors and may be collected by the Controllers and Processors through various sources, including but not limited to publicly available sources, social media, subscription services, worldcheck database, sanction lists, centralised investor database, public registers or other publicly accessible sources.

Personal Data will be processed by the Controllers and Processors for the purposes of (i) offering investments in Shares of any of the Sub-Funds and performing the related services as contemplated under this application and in the Prospectus including but not limited to the opening of your account with the Fund, the management and administration of your Shares and any related account on an on-going basis and the operation of the Fund's investment in other investment funds or in sub-funds, including processing subscriptions and redemptions, conversion, transfer and additional subscription requests, the administration and payment of distribution fees (if any), payments to you, updating and maintaining records and fee calculation, maintaining the register of Shareholders, providing financial and other information to the Shareholders, (ii) developing and processing

the business relationship with the Processors and optimizing their internal business organisation and operations, including the management of risk, (iii) direct or indirect marketing activities (such as market research or in connection with investments in other investment fund(s) managed by Allspring Luxembourg and its affiliates) and, (iv) other related services rendered by any service provider of the Controllers and Processors in connection with the holding of Shares of any of the Sub-Funds (the "Purposes").

Personal Data will also be processed by the Controllers and Processors to comply with legal or regulatory obligations applicable to them and to pursue their legitimate business interests or to carry out any other form of cooperation with, or reporting to, public authorities including but not limited to legal obligations under applicable fund and company law, anti-money laundering and counter terrorist financing ("AML-CTF") legislation, prevention and detection of crime, tax law such as reporting to the tax authorities including but not limited to under the US Foreign Account Tax Compliance Act ("FATCA"), the OECD Common Reporting Standard ("CRS"), the European Union Directive on Administrative Co-operation (2016/16/EU) as amended from time to time (including pursuant to Council Directive 2014/107/EU of 9 December 2014, and Council Directive 2018/822/EU of 25 May 2018 as regards mandatory automatic exchange of information in the field of taxation), or any other tax identification legislation to prevent tax evasion and fraud as applicable, and to prevent fraud, bribery, corruption and the provision of financial and other services to persons subject to economic or trade sanctions on an on-going basis in accordance with the AML-CTF procedures of the Controllers and Processors, as well as to retain AML-CTF and other records of the Data Subjects for the purpose of screening by the Controllers and Processors (the "Compliance Obligations").

You acknowledge that the Fund, Allspring Luxembourg, and the Administrative Agent acting as Controllers may be obliged to collect and report any relevant information in relation to you and your investments in the Fund (including but not limited to name and address, date of birth and US tax identification number ("TIN"), account number, balance on account) to the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange this information (including Personal Data, financial and tax information) on an automatic basis with the competent authorities in the US or other permitted jurisdictions (including the US Internal Revenue Service (IRS), or other US competent authority and foreign tax authorities located outside the European Economic Area) only for the purposes provided for in FATCA and CRS at OECD and European levels or equivalent Luxembourg legislation.

It is mandatory to answer questions and requests with respect to the Data Subjects' identification and Shares held in any of the Sub-Funds and, as applicable, FATCA and/or CRS. The Fund and Allspring Luxembourg reserve the right to reject any application for Shares if the prospective investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements. You acknowledge that failure to provide relevant Personal Data requested by the Controllers or the Processors in the course of their relationship with the Fund may result in incorrect or double reporting to taxing authorities, prevent you from acquiring or maintaining your Shares of any of the Sub-Funds and may be reported by the Fund or Allspring Luxembourg to the relevant Luxembourg authorities.

Communications (including telephone conversations and e-mails) may be recorded by the Controllers and the Administrative Agent acting as Processor on behalf of the Controllers where necessary for the performance of a task carried out in the public interest or where appropriate to pursue the Controllers' legitimate interests, including (i) for record keeping as proof of a transaction or related communication in the event of a disagreement, (ii) for processing and verification of instructions, (iii) for investigation and fraud prevention purposes, (iv) to enforce or defend the Controllers' and Processors' interests or rights in compliance with any legal obligation to which they are subject and (v) for quality, business analysis, training and related purposes to improve the Controllers and Processors relationship with you or with the Shareholders in general. Such recordings will be processed in accordance with Data Protection Legislation and shall not be released to third parties, except in cases where the Controllers and/or Processors are compelled or entitled by laws or regulations

applicable to them or court order to do so. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for a period of 10 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controllers and Processors.

Controllers and Processors will collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) as a result of your subscription or your request for subscription to invest in the Fund where necessary to perform the Purposes or to take steps at the request of the Shareholders prior to such subscription, including as a result of the holding of Shares in general and/or; (ii) where necessary to comply with a legal or regulatory obligation of the Controllers or Processors and/or; (iii) where necessary for the performance of a task carried out in the public interest and/or; (iv) where necessary for the purposes of the legitimate interests pursued by Controllers or by Processors, which mainly consist of the performance of the Purposes, including where the application is not filled in directly by you or in direct or indirect marketing activities as described in the Purposes mentioned above or, in complying with the Compliance Obligations and/or any order of any court, government, supervisory, regulatory or tax authority, including when providing investment services to any beneficial owner and any person holding Shares directly or indirectly in the Fund or in any of the Sub-Funds and/or where applicable under certain specific circumstances, on the basis of the your consent (which may be withdrawn at any time without affecting the lawfulness of processing based on such consent before its withdrawal).

Your Personal Data will only be disclosed to and/or transferred to and/or otherwise accessed by the Processors and/or any target entities, sub-funds and/or other funds and/or their related entities (including without limitation their respective general partner and/or management company and/or central administration/investment manager/service providers) in or through which the Fund intends to invest, as well as any court, governmental, supervisory or regulatory bodies, including tax authorities in Luxembourg or in various jurisdictions, in those jurisdictions where (i) the Fund is or is seeking to be registered for public or limited offering of its Shares, (ii) the Shareholders are resident, domiciled or citizens or (iii) the Fund is, or is seeking to be registered, licensed or otherwise authorised to invest for carrying out the Purposes and to comply with the Compliance Obligations (the "Authorised Recipients"). The Authorised Recipients may act as processor on behalf of Controllers or, in certain circumstances, as controller for pursuing their own purposes, in particular for performing their services or for compliance with their legal obligations in accordance with laws and regulations applicable to them and/or order of court, government, supervisory or regulatory body, including tax authority.

The Controllers undertake not to transfer Personal Data to any third parties other than the Authorised Recipients, except as disclosed to Shareholders from time to time or if required by applicable laws and regulations applicable to them or, by any order from a court, governmental, supervisory or regulatory body, including tax authorities.

By investing in Shares of any of the Sub-Funds, you acknowledge that your Personal Data will be processed for the Purposes and Compliance Obligations described above and in particular, that the transfer and disclosure of such Personal Data may be made to the Authorised Recipients, including the Processors, which are located outside of the European Union and the United Kingdom, in countries which are not subject to an adequacy decision of the European Commission and in which legislation does not ensure an adequate level of protection as regards the processing of personal data, including but not limited to Hong Kong, Singapore, South Korea or the United States of America. Controllers will only transfer Personal Data of Data Subjects for performing the Purposes or for complying with the Compliance Obligations.

Controllers will transfer your Personal Data to the Authorised Recipients located outside of the European Union and the United Kingdom either (i) on the basis of an adequacy decision of the European Commission (or, as applicable, of the Information Commissioner's Office in the United Kingdom) with respect to the



protection of personal data or, (ii) on the basis of appropriate safeguards according to Data Protection Legislation, such as standard data protection clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism or, (iii) in the event it is required by any judgment of a court or tribunal or any decision of an administrative authority, your Personal Data will be transferred on the basis of an international agreement entered into between the European Union (or the United Kingdom, as applicable) or a concerned member state and other jurisdictions worldwide or, (iv) where applicable under certain specific circumstances, on the basis of the Shareholders' explicit consent or, (v) where necessary for the performance of the Purposes or for the implementation of pre-contractual measures taken at the Shareholders' request or, (vi) where necessary for the Processors to perform their services rendered in connection with the Purposes which are in your interest or, (vii) where necessary for important reasons of public interest or, (viii) where necessary for the establishment, exercise or defence of legal claims or, (ix) where the transfer is made from a register, which is legally intended to provide information to the public or, (x) where necessary for the purposes of compelling legitimate interests pursued by the Controllers, to the extent permitted by Data Protection Legislation.

In the event the processing of Personal Data or transfer of Personal Data outside of the European Union or the United Kingdom take place on the basis of the consent of the Shareholders, you are entitled to withdraw your consent at any time without prejudice to the lawfulness of the processing and/or data transfers carried out before the withdrawal of such consent. In case of withdrawal of consent, Controllers will accordingly cease such processing or data transfers. Any change to, or withdrawal of, Data Subjects' consent can be communicated in writing to Allspring Luxembourg via e-mail at [AllspringLuxembourg@allspring-global.com](mailto:AllspringLuxembourg@allspring-global.com).

Insofar as Personal Data is not provided by the Data Subjects themselves (including where Personal Data provided by you includes Personal Data concerning other Data Subjects), you represent and warrant that you have authority to provide such Personal Data of other data subjects. If you are not a natural person, you undertake and warrant to (i) adequately inform any such other data subject(s) about the processing of its/their Personal Data and its/their related rights (as well as how to exercise them) as described under this application, in accordance with the information requirements under the Data Protection Legislation and (ii) where necessary and appropriate, obtain in advance any consent that may be required for the processing of the Personal Data of other Data Subjects as described under this application in accordance with the requirement of Data Protection Legislation. Any consent so obtained is documented in writing. You will indemnify and hold the Controllers and the Processors harmless for and against all financial consequences arising from any breach of the above warranties.

You may request, in the manner and subject to the limitations prescribed in accordance with Data Protection Legislation, (i) access to and rectification or deletion of your Personal Data, (ii) a restriction or objection of processing of your Personal Data and, (iii) to receive your Personal Data in a structured, commonly used and machine readable format or to transmit those Personal Data to another controller and, (iv) to obtain a copy of, or access to, the appropriate or suitable safeguards, such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism, which have been implemented for transferring the Personal Data outside of the European Union or the United Kingdom. In particular, you may at any time object, on request, to the processing of your Personal Data for marketing purposes or for any other processing carried out on the basis of the legitimate interests of Controllers or Processors. Each Data Subject should address such requests and any other requests relating to the processing of your Personal Data to Allspring Luxembourg via e-mail at [AllspringLuxembourg@allspringglobal.com](mailto:AllspringLuxembourg@allspringglobal.com).

You are entitled to address any claim relating to the processing of their Personal Data carried out by Controllers in relation with the performance of the Purposes or compliance with the Compliance Obligations by lodging a complaint with the relevant data protection supervisory authority (i.e. in Luxembourg, the Commission

Nationale pour la Protection des Données – [www.cnpd.lu](http://www.cnpd.lu)).

The Controllers and Processors processing Personal Data on behalf of the Controllers will accept no liability with respect to any unauthorised third party receiving knowledge and/or having access to Personal Data, except in the event of proved negligence or wilful misconduct of the Controllers or such Processors.

Personal Data will be retained by the Controllers and Processors until you cease to hold Shares of any the Sub-Funds and a subsequent period of 10 years thereafter where necessary to comply with laws and regulations applicable to them or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by laws and regulations applicable to them. In any case, your Personal Data will not be retained for longer than necessary with regard to the Purposes and Compliance Obligations contemplated in this application subject always to applicable legal minimum retention periods.

#### **Additional information for Investors in the United Kingdom**

This product is based overseas and is not subject to UK sustainable investment labelling and disclosure requirements.

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## **MANAGEMENT AND ADMINISTRATION**

### **Registered Office**

80, Route d'Esch  
L-1470 Luxembourg  
Grand Duchy of Luxembourg

### **Directors**

Traci McCormack  
Richard Goddard  
Jürgen Meisch  
Yves Wagner  
Andrew Owen

### **Alternative Investment Fund Manager and Global Distributor**

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Grand Duchy of Luxembourg

### **Investment Manager**

Allspring Global Investments (UK) Limited  
30 Cannon Street  
3<sup>rd</sup> Floor  
London EC4M 6XH  
United Kingdom

### **Depository**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, Route d'Esch  
L-1470 Luxembourg  
Grand Duchy of Luxembourg

### **Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, Route d'Esch  
L-1470 Luxembourg  
Grand Duchy of Luxembourg

### **Auditors**

Ernst & Young S.A.  
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Grand Duchy of Luxembourg

Goodwin Procter  
(Luxembourg)  
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Grand Duchy of Luxembourg  
  
(as to Luxembourg law)

**Legal Advisers to the Fund**

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United Kingdom  
  
(as to English law)

Goodwin Procter LLP  
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Boston, MA 02210  
United States of America  
  
(as to US law)

## GLOSSARY OF TERMS

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

<b>"2007 Law"</b>	The Luxembourg law of 13 February 2007 relating to specialised investment funds, as amended from time to time.
<b>"2010 Law"</b>	The Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time.
<b>"Accumulating Classes"</b>	Classes of a Sub-Fund which typically do not declare and make distributions with respect to the net investment income and realised capital gains, if any, attributable to this type of share class. These Classes are represented with the suffix "acc."
<b>"Administrative Agent"</b>	BBH.
<b>"Administration Agreement"</b>	The administration agreement effective as of 1 October 2024 between the Fund, the AIFM and BBH, as amended from time to time, appointing BBH as Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent of the Fund.
<b>"AIF"</b>	Alternative investment fund within the meaning of the AIFM Law.
<b>"AIFM"</b>	Allspring Global Investments Luxembourg S.A., or such other alternative investment fund manager appointed from time to time by the Fund within the meaning of the AIFM Law.
<b>"AIFM Directive"</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as implemented into Luxembourg law by the AIFM Law.
<b>"AIFM Law"</b>	The Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended from time to time.
<b>"AIFM Provisions"</b>	The AIFM Directive as implemented into Luxembourg law by the AIFM Law, supplemented by its implementing provisions including 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, the AIFM Law, as well as any applicable regulations, guidelines, circulars or positions of the European Securities and Markets Authority and/or the CSSF.
<b>"Allspring"</b>	Allspring Global Investments is the trade name for the asset management businesses of Allspring Global Investments Holdings, LLC, a holding company



	indirectly owned by certain portfolio companies of GTCR LLC and Reverence Capital Partners, L.P.
<b>"Appendix"</b>	The relevant appendix to the Prospectus.
<b>"Application Form"</b>	Document signed or to be signed by an Investor who desires to subscribe for Shares and by which this Investor irrevocably applies for Shares.
<b>"Articles"</b>	The articles of association of the Fund, as amended from time to time.
<b>"Auditor"</b>	Ernst & Young S.A.
<b>"BBH"</b>	Brown Brothers Harriman (Luxembourg) S.C.A.
<b>"Board"</b>	The board of directors of the Fund.
<b>"Business Day"</b>	A day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London, Luxembourg and New York City or as specified as such in the relevant Appendix.
<b>"Cash and Cash Equivalents"</b>	Short-term debt securities, demand or time deposits, certificates of deposit and short-term senior secured obligations (an obligation, debt instrument or participation which is senior in terms of priority of repayment to other senior secured obligations (if any) of an obligor or obligor group and has first charge or other first ranking security interest over assets of the obligor or within the obligor group, which includes commercial paper), in each case provided that the unsecured, unguaranteed and unsubordinated senior secured obligations of the issuing entity or the entity with which the demand or time deposits are made is rated A-1 or better by Standard & Poor's or P-1 or better by Moody's at the time of purchase.
<b>"CCP(s)"</b>	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES".
<b>"Class"</b>	Each class of Shares within the Fund.
<b>"Clearing Obligation"</b>	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES".
<b>"Code"</b>	US Internal Revenue Code of 1986, as amended.
<b>"Corporate Agent"</b>	BBH.
<b>"CSSF"</b>	The Luxembourg <i>Commission de Surveillance du Secteur Financier</i> .
<b>"Dealing Date"</b>	The Valuation Date on which a Shareholder may subscribe, redeem or convert Shares as specified in the relevant Appendix.
<b>"Depositary"</b>	BBH.

<b>"Depository Agreement"</b>	The depository agreement effective as of 1 October 2024 between the Fund, the AIFM and the Depository, as amended from time to time.
<b>"Directors"</b>	The members of the Board.
<b>"Distributing Classes"</b>	Classes of a Sub-Fund which typically make distributions semi-annually, or at other time(s) to be determined by the Board of Directors, with respect to the net investment income or to the gross investment income, if any, attributable to this type of share class. The Classes which distribute net income are represented with the suffix "distr.". The Classes which distribute gross income are represented with the suffix "gross distr."
<b>"Domiciliary Agent"</b>	BBH.
<b>"Eligible Investors"</b>	Investors who qualify as well-informed investors within the meaning of the 2007 Law, but limited to Professional Investors (i.e., excluding other well-informed investors).
<b>"EU EMIR"</b>	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES".
<b>"ESG"</b>	Environmental, social and governance.
<b>"EU"</b>	European Union.
<b>"Euro"</b>	The legal currency of the European Monetary Union.
<b>"Euro-zone"</b>	The region comprised of the member states of the EU that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on the EU.
<b>"First Class Institution"</b>	<p>With respect to a particular financial instrument, a financial institution or a specialised institution:</p> <ul style="list-style-type: none"> <li>• whose object, among others, is the trade of that particular financial instrument and which is recognised as an active market participant for that particular financial instrument; and</li> <li>• that is rated at least "A2" in Moody's Senior Unsecured Debt Rating or "A" in Standard and Poor's Long Term Foreign and Local Issuer Credit Rating.</li> </ul>
<b>"Fitch"</b>	Fitch Ratings Limited.
<b>"Fund"</b>	Allspring Worldwide Alternative Fund SICAV-SIF.
<b>"GBP"</b>	The legal currency of the United Kingdom.

<b>"Global Distributor"</b>	Allspring Global Investments Luxembourg S.A.
<b>"Institutional Investors"</b>	Investors who qualify as institutional investors according to the Luxembourg laws and regulations and which, for the avoidance of doubt, are Professional Investors.
<b>"Investment(s)"</b>	Those investments, including the use of hedging and related derivative transactions, loan and related agreements, which may be acquired and disposed of from time to time by the Investment Manager on behalf of the Fund.
<b>"Investment Fund"</b>	Any regulated or unregulated undertaking the sole objective of which is the collective investment in securities, financial instruments and/or other assets.
<b>"Investment Grade"</b>	Bearing a credit rating of BBB- and/or Baa3 or equivalent and above from any one of the following credit rating agencies: Standard & Poor's, Moody's and Fitch or, where an Investment is not rated by either Standard & Poor's, Moody's or Fitch, where the Investment Manager consults with such other external sources that are available and uses its professional judgment, supported by at least one external opinion, that such Investment is of investment grade rating.
<b>"Investment Manager"</b>	Allspring Global Investments (UK) Limited.
<b>"Investor"</b>	An investor who desires to subscribe or has subscribed for Shares.
<b>"Listing Agent"</b>	BBH.
<b>"Market Risk"</b>	Foreign exchange and interest rate risk.
<b>"Mémorial"</b>	<i>The Mémorial C, Recueil des Sociétés et Associations.</i>
<b>"Moody's"</b>	Moody's Investors Service, Inc.
<b>"Net Asset Value" or "NAV"</b>	The net asset value of the Fund or of a Sub-Fund as determined pursuant to the section entitled "DETERMINATION OF NET ASSET VALUE".
<b>"Net Asset Value per Share"</b>	The net asset value per Share of any Class within any Sub-Fund determined in accordance with the relevant provisions described in the section entitled "DETERMINATION OF NET ASSET VALUE".
<b>"OECD"</b>	Organisation for Economic Co-operation and Development.
<b>"OTC"</b>	As defined under the heading "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES".

<b>"Participation"</b>	An interest in an Investment acquired indirectly by the Fund by way of a participation agreement.
<b>"Paying Agent"</b>	BBH.
<b>"Professional Investors"</b>	Investors who qualify as professional investors under annex II of Directive 2014/65/EU of 15 May 2014, as amended from time to time.
<b>"Redemption Price"</b>	The Net Asset Value per Share on the Dealing Date in respect of which redemption is made, less a redemption charge (if any) as specified in the relevant Appendix.
<b>"Registrar and Transfer Agent"</b>	BBH.
<b>"RESA"</b>	The Luxembourg <i>Recueil Electronique des Sociétés et Associations</i> .
<b>"SEC"</b>	The U.S. Securities and Exchange Commission.
<b>"Senior Secured Obligation"</b>	An obligation, debt instrument or Participation which is senior in terms of priority or repayment to other debt obligations (if any) of an obligor or obligor group, has a first charge or other first ranking security interest over assets of the obligor or within the obligor group and will invariably be rated below Investment Grade.
<b>"Shareholders"</b>	All the shareholders of the Fund.
<b>"Shares"</b>	Any shares in the Fund of any Class within any Sub-Fund.
<b>"SIF"</b>	Specialised investment fund within the meaning of the 2007 Law.
<b>"Standard &amp; Poor's"</b>	Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc.
<b>"Sub-Custodian"</b>	Any delegate of the Depositary to whom safe-keeping of assets services has been delegated.
<b>"Sub-Fund"</b>	A specific portfolio of assets and liabilities within the Fund having its own Net Asset Value and represented by a separate Class or Classes of Shares.
<b>"Subsidiary"</b>	As defined in the section entitled "STRUCTURE OF THE FUND".
<b>"Suspension"</b>	As defined under the heading "Suspension of the Calculation of the Net Asset Value Calculation" in the section entitled "ISSUE AND REDEMPTION OF SHARES".

**"Sustainable Finance  
Disclosure Regulation"  
or "SFDR"**

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.

**"Taxonomy Regulation"**

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.

**"TER"**

The total expense ratio which is the ratio of the gross amount of the expenses of a Sub-Fund to its average net assets (excluding transaction costs). The TER includes all the expenses levied on the assets of the Sub-Fund which include, but are not limited to, fees payable to the AIFM and the Investment Manager, administrative, domiciliary, corporate, listing, registrar and transfer agency and paying agency fees, depositary fee, regulatory fees, audit fees, legal fees, formation costs, translation costs, printing costs, publication costs and duties.

**"UCI"**

An undertaking for collective investment, i.e., an undertaking the sole objective of which is the collective investment in securities, financial instruments and/or other assets.

**"US"**

United States of America, its territories and possessions and places subject to its jurisdictions, any state of the United States of America, the District of Columbia and the Commonwealth of Puerto Rico.

**"US Person"**

US persons (as defined in US federal securities laws, commodities laws and regulations and the Code, including the US Foreign Account Tax Compliance Act, as applicable) or persons who are resident in the US at the time the Shares are offered or sold, provided that the Board may further define this term in, via or at any of the Information Means (as defined in article 34 of the Articles). For purposes of the discussion of US Taxes, to the extent inconsistent with the above, US Person means a US Person as defined in the Code.

**"Valuation Date"**

The date(s) on which the Net Asset Value of a Sub-Fund is determined, as further specified in each Appendix.

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

## 1. STRUCTURE OF THE FUND

The Fund was incorporated on 7 June 2012 as an open-ended investment company organised as a "*société anonyme*" under the laws of the Grand Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable – fonds d'investissement spécialisé* ("SICAV-SIF") under Part II of the 2007 Law and as an AIF within the meaning of the AIFM Law. The Fund is authorised as a UCI under the 2007 Law.

The Fund has appointed the AIFM as external alternative investment fund manager of the Fund (within the meaning of the AIFM Law), as further described in this Prospectus.

At the date of this Prospectus, the Fund qualifies as an alternative investment fund under the AIFM Law.

The Fund is an umbrella fund and as such may operate separate sub-funds (each, a "Sub-Fund"), 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, as further described in the relevant Sub-Fund Appendix. In the case of inconsistency between the general part of this Prospectus and any Appendix, the Appendix shall prevail.

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

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

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 initial Articles were published in the *Mémorial* on 17 July 2012 and were last amended on 10 November 2021, with effect as from 6 December 2021 pursuant to a deed, published in the RESA on 5 January 2022. The consolidated Articles as at 6 December 2021 and in force as at the date hereof were published in the RESA on 7 January 2022.

The Fund is incorporated for an unlimited period.

The Fund is registered with the Luxembourg Trade and Companies Register under number B 169.587.

Under Luxembourg law and its Articles, the Fund is authorised to issue an unlimited number of Shares.

The reference currency of each Sub-Fund shall be as set out in the relevant Sub-Fund Appendix. All the financial statements of the Fund will be presented in Euro and if the accounts of any Sub-Fund are not maintained in Euro, such accounts shall be converted into Euro and added together for the purpose of determination of the accounts of the Fund.

The Fund may make investments through one or more wholly owned subsidiaries (each, a "Subsidiary"), which have the same external and independent auditors as the Fund and where the majority of the votes of a Subsidiary's board are held by the Directors. The discussion in this Prospectus treats the investment activities

and holdings of any such Subsidiary as if they were the direct activities and holdings of the applicable Sub-Fund.

## 2. PURPOSE, INVESTMENT OBJECTIVES AND POLICIES

Any change to the investment objective and/or the investment policy of a Sub-Fund shall be reflected in this Prospectus upon prior approval of the Board and the CSSF and any material change shall be notified to Shareholders in accordance with applicable Luxembourg regulatory requirements.

The Fund's main objective is to achieve capital appreciation over time while spreading investment risks.

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

### Benchmark Regulation

Unless otherwise disclosed in this Prospectus, the indices or benchmarks used by any Sub-Fund are, as at the date of this Prospectus, either non-EU benchmarks included in ESMA's register of third country benchmarks or provided by benchmark administrators which have been included in ESMA's register of benchmark administrators or provided by benchmark administrators which are located in a Non-EU country who benefit from the transitional arrangements set out in article 51(5) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds ("**EU Benchmark Regulation**") and accordingly have not yet been included in the register of third country benchmarks maintained by ESMA pursuant to Article 36 of the EU Benchmark Regulation.

EU Benchmark administrators are required to apply for authorisation or registration as a benchmark administrator under the EU Benchmark Regulation before 31 December 2025. The inclusion of any non-EU benchmark that may be used by a Sub-Fund, within the meaning of the EU Benchmark Regulation, in the ESMA register of third country benchmarks, will be reflected in the Prospectus at its next update.

As at the date of this Prospectus, the following benchmarks are used by the Sub-Funds for the purposes indicated in the table below.

SUB-FUND	BENCHMARKS	PURPOSE
Climate Transition Buy and Maintain Plus 2025-2029 Fund	Bloomberg Global Aggregate Corporate Total Return Index Hedged GBP	Asset Allocation
Climate Transition Buy and Maintain Plus 2030-2034 Fund	Bloomberg Global Aggregate Corporate Total Return Index Hedged GBP	Asset Allocation

The benchmarks above are provided by the benchmark administrator, Bloomberg Index Services Limited, which is authorised by the UK Financial Conduct Authority to conduct benchmark administration under the UK Benchmarks Regulation ((EU) 2016/1011) and benefits from the transitional arrangements set out in article 51(5) of the EU Benchmark Regulation.

The AIFM maintains a written plan setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided. A copy of the written plans is available at the registered office of the AIFM and may be obtained free of charge.



## **Risk Factors**

The investments of the Fund are subject to market fluctuations and other risks inherent in any investment. It cannot therefore be guaranteed that the investment objective of the Fund in respect of any Sub-Fund will be achieved.

The discussion below is of a general nature and is intended to describe various risk factors associated with an investment in the Shares. Which factors will be of relevance to the Shares will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares, the techniques and instruments used and the investment policy of the particular Sub-Fund invested in.

Investors should understand the risks associated with an investment in the Shares and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisers of (i) the suitability of an investment in the Shares in the light of their own particular financial, fiscal and other circumstances, (ii) the information set out in this Prospectus and (iii) the risks associated with the use by the Fund of derivative techniques.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Shares.

The value of the Shares can go down as well as up, past performance is not a guide to future performance and an investor may not be able to redeem or sell the Shares for the same amount invested in them. Accordingly, investors should view an investment in the Shares as a long-term investment. Prospective Investors' attention is drawn to the taxation consequences of investing in the Fund set out in the section entitled "TAXATION".

No investment should be made in the Shares without careful consideration of the following general risk factors.

### **Political and/or regulatory risks**

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

The Prospectus has been drafted in line with currently applicable laws and regulations. It cannot be excluded that the Sub-Funds and their investment policy and objectives may be affected by any future changes in the legal and regulatory environment.

By acquiring an interest in the Fund, an Investor will be deemed to have acknowledged that the Fund, the AIFM and/or the Investment Manager may need to take action to comply with the AIFM Law, and other laws and regulations that may come into effect from time to time, even though such action may adversely affect the Fund, and to have consented thereto, and to have waived any claim in respect of the existence or resolution of any such conflict of interest. In addition, the Articles authorise the Directors to take all such steps as they may deem necessary, without Shareholder consent, to agree such corporate, constitutional and contractual amendments to the structure and ongoing arrangements of the Fund in order that the Fund and its various service providers (including the Fund's AIFM) may be in compliance with the AIFM Law and any such other

laws and regulations that may come into effect from time to time, as and when appropriate, to the extent such steps are not contrary to Luxembourg law.

The US Congress, the SEC, the CFTC and other regulators have also taken or represented that they may take action to increase or otherwise modify the laws, rules and regulations applicable to short sales, derivatives and other techniques and instruments (including, without limitation, credit default swaps) in which the Fund may invest. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Investment Manager to use certain such instruments or to engage in such transactions. This may impair the ability of the Investment Manager to carry out the Fund's investment strategy and may otherwise have an adverse impact on the Fund's returns. Compliance with such new or modified laws, rules and regulations may also increase the Fund's expenses and therefore may adversely affect the Fund's performance. For example, Section 619 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") imposed the so-called "Volcker Rule". In general, the Volcker Rule prohibits, or significantly restricts, "banking entities" and "nonbank financial companies" from engaging in certain activities, such as proprietary trading and investing in, sponsoring, or holding interests in private investment funds such as the Fund.

In addition, Title VII of the Dodd-Frank Act has imposed and will impose a number of new regulations governing over-the-counter ("OTC") swaps and derivative transactions. Under the Dodd-Frank Act, swaps generally are required to be submitted for clearing by a regulated clearing organization. With respect to uncleared swaps, the CFTC has also proposed rules that would require that margin be posted by "financial entities", including the Fund, for uncleared swap positions. New regulations will also likely limit the ability of bank holding companies and other entities from engaging in proprietary trading of swaps and other derivatives, which will likely reduce the number of potential counterparties and liquidity for swaps and other derivatives. These and other similar rules and regulations are likely to increase the costs and expenses to the Fund of utilising swaps and other derivatives. As a result, the Fund may engage in fewer derivatives transactions than it would have otherwise, experience higher costs in connection with using derivatives for hedging or other purposes or may utilise higher leverage than it would have otherwise to achieve the same level of returns.

Although various US regulatory agencies (e.g., the SEC, the CFTC and the US federal banking agencies) are in the late stages of developing regulations to implement the provisions of the Dodd-Frank Act, and accordingly it is not possible at this time to predict with certainty what, if any, impact the Dodd-Frank Act and such implementing regulations will have on the Investment Manager or the Fund, it is possible that such impact could be adverse and material.

The EU Regulation on OTC derivatives, central counterparties and trade repositories (648/2012/EU, "EU EMIR"), as amended pursuant to Regulation (EU) 2019/834 ("EU EMIR Refit") has direct effect on persons trading in derivative contracts in the member states of the EU and requires the following:

- the clearing of all "eligible" OTC derivative contracts through duly authorised central counterparties ("CCP") (the "Clearing Obligation"). Small financial counterparties, such as the Fund and the Sub-Funds, are exempted from the Clearing Obligation, while remaining subject to risk mitigation obligations;
- the reporting of details of all such contracts (with limited exceptions) to a trade repository recognised by the European Securities and Markets Authority (the "Reporting Obligation"). There is no minimum threshold in terms of volume or value of transactions below which the obligation will not apply. Since June 2020, financial counterparties are responsible for reporting on behalf of any non-financial

counterparty that is below the clearing threshold, such as the Asset Holding Vehicles of the Sub-Funds (as defined in Appendices I and II) – further details of which are provided below;

- counterparties are obliged to enter into certain arrangements for reconciling portfolios and to agree detailed procedures in relation to identifying and resolving disputes regarding OTC derivative contracts; and
- counterparties are also obliged to pay and collect both initial margin and variation margin (the "Margin Obligation").

The Asset Holding Vehicles of the Sub-Funds serve as investment vehicles for the Sub-Funds and counterparties to eligible derivative contracts of the Sub-Funds but do not qualify as AIFs (as described in Appendices I and II). They are therefore considered Non-Financial Counterparties (within the meaning of EU EMIR) that have calculated their positions against the clearing thresholds under EU EMIR and do not exceed them. Accordingly, they are not subject to the Clearing Obligation, the Reporting Obligation nor the Margin Obligation.

Under EU EMIR, a CCP will be used to meet the Clearing Obligation by interposing itself between the counterparties to the eligible derivative contracts. CCPs will connect with derivative counterparties through their clearing members. Where applicable, counterparties will be required to post both initial and variation margin to the clearing member (which in turn will be required to post margin to the CCP). EU EMIR (as amended by EU EMIR Refit) requires CCPs to accept only highly liquid collateral with minimal credit and market risk. As Non-Financial Counterparties that have calculated their positions against the clearing thresholds under EU EMIR and do not exceed them, the Asset Holding Vehicles are not subject to such requirements.

In addition, the Markets in Financial Instruments Directive (2014/65/EU) as implemented in member states and the Markets in Financial Instruments Regulation (600/2014/EU) also requires certain standard derivative contracts to be traded on-exchange.

The Securities Financing Transactions Regulation (2015/2365/EU) (the "SFT Regulation") applies to counterparties to securities financing transactions, including securities lending. It aims to reduce risks by improving transparency in the securities financing markets in three ways:

- by imposing conditions on the 'reuse' of financial instruments which have been provided as 'collateral', so that clients and counterparties understand the risks involved and give their consent to the reuse;
- by requiring fund managers to make detailed disclosures to their investors of the use they make of securities financing transactions ("SFTs") and total return swaps, both in their periodical reports and through pre-contract disclosures; and
- by requiring counterparties to report SFTs to a trade repository so as to provide transparency to regulators on the use of SFTs by market participants.

#### *Exposure to repurchase agreement and reverse repurchase agreements (SFT Transactions)*

The Fund will not enter into the following SFT Transactions in accordance with the definitions described in the SFT Regulation:

- securities lending;
- buy-sell back/sell-buy back transactions;
- margin lending.

In case the Fund decides to use the above-mentioned SFT Transactions, the Prospectus will be updated accordingly.

Unless prohibited for a Sub-Fund or unless other limits are disclosed in the relevant Appendix, the following provisions apply to SFT Transactions.

A maximum of 20 per cent. of the net assets of a Sub-Fund may be subject to repurchase agreements.

A maximum of 20 per cent. of the net assets of a Sub-Fund may be subject to reverse repurchase agreements.

A securities lending is a type of transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred.

A repurchase agreement is a transaction governed by an agreement by which a counterparty transfers securities, commodities, or guaranteed rights relating to title to securities or commodities where that guarantee is issued by a recognised exchange which holds the rights to the securities or commodities and the agreement does not allow a counterparty to transfer or pledge a particular security of commodity to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities or commodities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities or commodities and a reverse repurchase agreement for the counterparty buying them.

A total return swap is a derivative contract as defined in point (7) of Article 2 of EU EMIR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

Generally, no more than 20 per cent. of the gross revenue arising from total return swaps, repurchase agreements transactions, securities lending transactions and efficient portfolio management transactions may be deducted from revenue delivered to the Fund as direct and indirect operational expenses.

All income arising from the use of techniques and instruments for efficient portfolio management and SFT Transactions, less direct and indirect operational costs and fees, will profit the Fund in order to be reinvested in line with the Fund's investment policy and consequently will positively impact on the performance of a Sub-Fund.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or the Investment Manager will be available in the annual report of the Fund.

The counterparties will be selected according to the Fund's principles for executing orders for financial instruments. The selection of counterparties to such transactions will generally be financial institutions based in an OECD member state and have an investment grade credit rating. Details of the selection criteria and a list of approved counterparties are available from the Investment Manager.

Prospective investors' attention is drawn to the fact that the use of SFT Transactions by a Sub-Fund could lead to an increase of its risk profile.

The Fund may enter into repurchase and reverse repurchase agreements in order to generate capital or additional income or to reduce costs or risks. Repurchase agreements consist of forward transactions at the maturity of which the Fund (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Fund may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Fund (buyer) the obligation to return the assets purchased under the transactions. The Fund may also enter into transactions that consist of the purchase/sale of securities with a clause reserving for the counterparty/Fund the right to repurchase the securities from the Fund/counterparty at a price and term specified by the parties in their contractual arrangements.

Repurchase and reverse repurchase agreements will not be used on a continuous basis but may be used dependent on market conditions or when such instruments are deemed appropriate to improve performance of a Sub-Fund or to reduce costs or risks.

The Fund's involvement in such transactions is, however, subject to the additional following rules:

- (i) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by applicable laws and regulations;
- (ii) The Fund may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

The following types of assets can be subject to repurchase and reverse repurchase transactions: fixed income instruments and (if possible) shares/units of UCIs.

The risks related to the use of repurchase and reverse repurchase transactions and the effect on Shareholders' returns are described under the section "Risks Associated with Derivative Instruments".

Investors should be aware that the regulatory changes arising from the above may raise the costs of entering into derivative contracts and adversely affect the ability of the Fund to engage in transactions in derivatives.

The risks related to counterparty default and the effect on Shareholders' returns are described under the section "Risks Associated with Derivative Instruments."

Due to the various counterparties, there is a potential risk of conflict of interests when the Fund enters into SFT Transactions and/or total return swaps. The Investment Manager has a policy in place in order to deal with such potential conflict of interests.

## **Foreign exchange / currency risk**

Although Shares in a Sub-Fund may be denominated in one or more currencies, these may be different from the reference currency of the Sub-Fund and the Sub-Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of a Sub-Fund as expressed in its reference currency and the Net Asset Value of the different Classes of Shares of the Sub-Fund denominated in a currency other than the reference currency of the Sub-Fund may fluctuate in accordance with the changes in the foreign exchange rate between the relevant currencies. A Sub-Fund may also be exposed to foreign exchange rate fluctuations with respect to the currencies in which the Sub-Fund's Investments are denominated. A Sub-Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

## **Market risk**

The values of, and/or the income generated by, securities held by a Sub-Fund may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Different sectors of the market and different security types may react differently to such developments. Political, geopolitical, natural and other events, including war, terrorism, trade disputes, government shutdowns, market closures, natural and environmental disasters, epidemics, pandemics and other public health crises and related events have led, and in the future may lead, to economic uncertainty, decreased economic activity, increased market volatility and other disruptive effects on global economies and markets. Such events may have significant adverse direct or indirect effects on a Sub-Fund and its investments. In addition, economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.

The Fund may invest in underlying Investment Funds active on various markets throughout the world. Risks in those markets (including those outlined above) may have a negative impact on the assets or the financial results of the underlying Investment Funds and, consequently, of the Fund.

## **Credit risk**

Performance and investor yield on the Shares may be affected by the default or perceived credit impairment of any Investment and by general, sector-specific or country-specific credit spread widening.

## **Illiquidity**

The Sub-Funds may invest some of their assets in illiquid securities and other illiquid financial instruments, in respect of which it may not always be possible to execute a buy or sell order at the desired price or to liquidate the open position. Such situations may be due either to market conditions or due to restrictions on the transferability of such instruments. There is no assurance that there will be sufficient trading volume in such instruments to enable the concerned Sub-Funds to dispose of such instruments on a timely basis at attractive prices in order to satisfy a redemption request.

## **Possible Loss of Investment**

Prospective Investors should be aware that investment in the Fund can involve varying degrees of risk including a possibility of capital loss. Prospective Investors should inform themselves of the risks associated

with each Sub-Fund and the general risks associated with investment in various instruments, currencies and geographic areas.

## **Leverage**

The Sub-Funds may utilise leverage by borrowing on a secured or unsecured basis as is further described in the relevant Appendix. Leverage by a Sub-Fund creates an opportunity for increased return but also for increased sudden, and potentially severe, losses and will tend to exaggerate positive or negative changes in the Net Asset Value and in the return on the Sub-Fund's portfolio. In certain circumstances (e.g. low market volatility), the overall expected leverage can exceed the level mentioned in the relevant Sub-Fund Appendix.

## **CSDR Cash Penalties**

Regulation (EU) No 909/2014 ("CSDR") introduced new rules under the settlement discipline regime which are intended to reduce the number of settlement fails that occur in EEA central securities depositories and address settlement fails where they occur. Among these measures, a new cash penalties regime entered into force on 1 February 2022 under which the participant within the relevant central securities depository ("CSD") responsible for a settlement fail will be required to pay a cash penalty which is in turn distributed to the other CSD participant. Such cash penalty under CSDR is intended to serve as an effective deterrent for participants that cause settlement fails. In certain circumstances, such penalties and related expenses may be borne (either directly or indirectly) out of the assets of a Sub-Fund on whose behalf the in-scope transaction was executed, thus resulting in increased operational and compliance costs being borne by the relevant Sub-Fund.

## **Risks Associated with Derivative Instruments**

### *General*

There is a general risk attendant to Investments that the value of a particular Investment will change in a way detrimental to the Fund's interest. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional Investments. The following is a general discussion of the important risk factors and issues concerning the use of derivatives which Investors should understand before investing in the Shares.

### *Liquidity and Counterparty Credit Risk*

If a derivative transaction is particularly large or if the relevant market is illiquid (as may be the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Lack of a liquid market for any reason may prevent the Fund from liquidating an unfavourable position and the Fund would remain obliged to meet margin requirements until the position is closed.

The Fund may enter transactions in over-the-counter markets, which will expose it to the credit risk of its counterparties and their ability to satisfy the terms of such contracts. For example, the Fund may enter into repurchase and/or securities lending agreements, forward contracts, options and credit default swaps and other swap arrangements and derivative techniques, each of which expose the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency

of a counterparty, the Fund could experience delays in liquidating the position and significant losses. There is also a possibility that ongoing derivative transactions are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Fund's policy to net exposures against its counterparties.

The stability and liquidity of swap and related transactions depend in large part on the creditworthiness of the parties to the transactions. The creditworthiness of counterparties with which the Fund enters into swaps, other derivatives and repurchase and/or securities lending agreements is monitored by the Investment Manager on an ongoing basis. If there is a default by the other party to any such transaction, there will be contractual remedies pursuant to the agreements related to the transaction; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered into, which could, in turn, affect the economic return on the Shares. Whereas the Market Risk associated with any swap that relates to any given Class of Shares will remain with those Shares, the credit risk associated with any such swap will remain with the Fund as a whole and any losses caused by counterparty credit failure will be borne by the Investors as a whole.

#### *Leverage Risk*

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss regardless of the size of the initial investment.

#### *Risk of Using Credit Default Swaps*

Credit default swaps involve certain risks as they are difficult to value, are highly susceptible to liquidity and credit risk and generally only generate income for the party who has paid the premium in the event of an actual default by the obligor of the underlying obligation (as opposed to a credit downgrade or other indication of financial difficulty). Further risks for a credit protection buyer exist where the contract documentation over which the credit default swap written is "orphaned" by updated documentation or the contract payment structure — in which case the relevant contract along with periodic payments related to it will continue for its original term but in respect of an obligation that no longer exists and may not be replaced. If the Fund is acting as a credit protection seller in a credit default swap transaction, the Fund bears the risk of default by the obligor of the underlying obligation.

#### *Other Risks Relating to Derivative Transactions*

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular over-the-counter derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to the Shares. Derivatives do not always perfectly track or even highly correlate to the value of the securities, rates or indices they are designed to track. Consequently, the Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective.

An adverse price movement in a derivative position may require cash payments of variation margin by the Fund which might in turn require, if there is insufficient cash available in the portfolio, the sale of Investments



under disadvantageous conditions. The Fund may enter into collateral arrangements with respect to hedging and related transactions, repurchase and/or securities lending agreements, reverse repurchase agreements, cross-currency swaps, interest rate swaps and credit derivatives transactions. The obligations of the Fund under hedging and related transactions, repurchase and/or securities lending agreements, reverse repurchase agreements and credit derivatives transactions may be secured and/or subject to certain financial covenants and/or termination events. If the Fund were to breach any such covenants or otherwise terminate (or be required to terminate) swap positions, it (and Investors in turn) may suffer loss, particularly if the Fund is unable to find appropriate replacement swap lines.

New financial products continue to be developed, and the Fund's assets may be invested in any such products to the extent consistent with the Fund's investment objective and applicable restrictions and applicable regulatory requirements.

### **Counterparty risks**

With OTC derivatives there is a risk that a counterparty will not be able to fulfil its obligations and/or that a contract will be cancelled, e.g., due to bankruptcy, subsequent illegality or a change in the tax or accounting regulations since the conclusion of the OTC derivative contract.

### **Investor Tax Information**

Investors should be aware that certain fiscal authorities may provide better tax treatment if certain information reporting is provided to Shareholders by the Fund. The Fund cannot guarantee to provide tax reporting to Shareholders and accepts no liability in respect of such a failure. No assurance can be given that even if tax reporting is provided it will be accurate in all respects or that it will be provided by the date a Shareholder is due to report to its fiscal authorities or that it will be provided by the statutory due date.

### **Other risks**

The use of derivative and other special investment techniques and financial instruments also entails the risk that the valuations of financial products will differ as a result of different approved valuation methods (model risks) and the fact that there is no absolute correlation between derivative products and the underlying investments, interest rates, exchange rates and indices. Numerous derivatives, particularly OTC derivatives, are complex and are frequently open to subjective valuation. Inaccurate valuations can result in higher cash payment obligations to the counterparty or a loss in value for a Sub-Fund. Derivatives do not always fully reproduce the performance of the investments, interest rates, exchange rates or indices which they are designed to reflect. The use of derivative and other special investment techniques and financial instruments by a Sub-Fund may therefore in certain circumstances not always be an effective means of achieving the Sub-Fund's investment objective and may even prove counterproductive.

### **ESG Risk Factor**

In assessing the eligibility of an issuer in terms of ESG classification, there is a dependence upon information and data from third party providers. ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the AIFM and/or the Investment Manager may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the portfolio of a Sub-Fund.

There is also a risk that the AIFM and/or the Investment Manager may not apply the relevant criteria of the ESG information correctly or that the relevant Sub-Funds could have indirect exposure to issuers who do not meet the relevant criteria. To the extent that a Sub-Fund uses ESG criteria as a basis for including or excluding securities from the Sub-Fund's portfolio, it may forego opportunities in individual securities and/or sectors of securities for non-investment reasons which could have a positive or negative impact on performance and may cause the Sub-Fund's performance profile to differ from that of funds which invest in a similar universe of potential investments but which do not apply ESG criteria.

The lack of common or harmonised definitions and labels regarding ESG criteria may result in different approaches by managers when setting ESG objectives making it difficult to compare funds with ostensibly similar objectives but which employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar funds may deviate more substantially than might otherwise be expected. Additionally, in the absence of common or harmonised definitions and labels, a degree of subjectivity is required and this will mean that a Sub-Fund may invest in a security that another manager or an investor would not.

### **General Tax Considerations**

The Fund and the Investment Manager will use reasonable efforts to ensure that the Fund is not treated as engaged in a trade or business in the US and therefore does not expect to be generally subject to US federal income tax on a net income basis. Moreover, the Fund will use commercially reasonable efforts to ensure that the Fund is not centrally controlled and managed or effectively managed from any country other than Luxembourg and does not carry on a trade through a UK permanent establishment and therefore does not expect to be generally subject to UK corporation tax on any of its profits. However, there is no certainty that the Fund will not be subject to such taxes.

The tax aspects of an investment in the Fund are complicated and may differ according to the Investor's particular financial and tax situations and each prospective Investor should have them reviewed by professional advisers familiar with such Investor's personal tax situation and with the tax laws and regulations applicable to the Investor and private investment vehicles. The tax structuring of the Fund or its investments may not be tax efficient for any particular prospective shareholder. No undertaking is given that returns from the Fund will have any particular characteristics or that any specific tax treatment will be enjoyed.

The law and any other rules or customary practice relating to tax, or its interpretation in relation to the Fund, its assets and any investment in the Fund may change during the life of the Fund. In particular, both the level and basis of taxation may change. Additionally, the interpretation and application of tax rules and customary practice to the Fund, its assets and Shareholders by any taxation authority or court may differ from that anticipated by the Investment Manager and its advisers. This could significantly affect returns to Shareholders.

The Foreign Account Tax Compliance provisions of the US Hiring Incentives to Restore Employment Act, which implemented sections 1471 – 1474 of the Code (known as "FATCA"), are designed to require the reporting of US Persons' direct and indirect ownership of non-US accounts to the US Internal Revenue Service, with any failure to provide required information resulting in a 30 per cent. US federal withholding tax in respect of certain US connected payments. Various jurisdictions including Luxembourg have already entered into an Intergovernmental Agreement with the US relating to the implementation of FATCA, under which information will be reported to local authorities and by virtue of which financial institutions in the foreign jurisdiction should be deemed to comply with the mainstream FATCA rules. In order to avoid being subject to withholding taxes under these rules, both US investors and non-US investors may therefore be required to provide information regarding themselves and their investors and/or beneficial owners. Prospective Investors

should therefore consult their tax advisors with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Fund.

Subject to the discretion of the Board to determine otherwise, Classes denominated in GBP are generally reserved to UK resident Investors.

Each Class may be deemed to constitute an "offshore fund" for UK tax purposes and in addition other UK anti-avoidance tax rules may apply, some of which may operate to tax returns as income rather than as capital gains. As a consequence, any gain arising on the sale, redemption or other disposal of Shares in a Class by persons who are resident in the UK for tax purposes may be taxed at the time of such sale, redemption or other disposal as income and not as a capital gain.

### **Base Erosion and Profit Shifting**

In relation to structuring designed to allow access to double tax treaty provisions, the Organisation for Economic Co-operation and Development ("OECD") has published a multilateral instrument setting out a framework for the implementation of recommendations from its base erosion and profit shifting ("BEPS") project, and this multilateral instrument also proposes actions to strengthen existing domestic legislation. It is possible that the implementation of these provisions into the bi-lateral tax treaties agreed between countries and/or the application of these (or similar) principles by revenue authorities prior to any formal change of law could have various tax consequences, including, for example, limiting access to such treaty provisions, limiting tax deductibility of certain amounts and counteracting the use of "hybrid" entities or instruments (please see "ATAD and Anti Hybrid Rules" below), with possible increased tax costs for the Fund and its investments.

In conjunction with the OECD Action Plan on base erosion and profit shifting, the OECD's multilateral instrument sets out a framework for the implementation of recommendations from the BEPS project, and also proposes actions to strengthen existing domestic legislation on matters relating to base erosion and profit shifting. In addition, further work is being undertaken by the OECD relating to a proposed reform of the international allocation of taxing rights (referred to as "Pillar One") and a minimum level of taxation for multinational enterprises ("Pillar Two"). It is possible that the implementation of these provisions into the bi-lateral tax treaties agreed between countries and/or the application of these (or similar) principles domestically by governments or revenue authorities, including prior to any formal change of law, could have various tax consequences, including, for example, limiting access to treaty provisions, limiting tax deductibility of certain amounts, counteracting the use of "hybrid" entities or instruments, and expanding the definition of a permanent establishment (or imposing local taxes without reference to the existence or otherwise of a permanent establishment) with possible increased tax costs for the Fund and its investments.

### **ATAD and Anti-Hybrid rules**

The European Union Council adopted the Anti-Tax Avoidance Directive ("ATAD") on 20 June 2016 which requires EU member states to implement several of the BEPS proposals into domestic laws. ATAD was subsequently amended and expanded by a further Directive (commonly known as ATAD 2) that was adopted on 29 May 2017.

Both ATAD and ATAD 2 have been implemented into Luxembourg domestic law (the "ATAD Law") for tax years starting on or after January 2019.

ATAD seeks to prevent outcomes resulting from hybrid mismatches and may possibly lead to the denial of the tax deductibility of payments made by a Luxembourg or EU intermediate company to the Fund or to the inclusion of exempt income in the Luxembourg tax base.

The effect of BEPS and the ATAD Law could impact the ongoing taxation of the Fund, intermediate companies or portfolio companies, which may adversely affect the return on the investments held by Investors in the Fund. In addition, in order to comply with these new rules, certain information may be requested from Investors.

On 22 December 2021, the European Commission released a proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU on administrative cooperation in the field of taxation. The objective of the proposed directive is to lay down a common framework within the EU to identify shell entities (i.e., entities lacking minimum economic substance that do not perform any actual economic activity and that can be misused for tax avoidance or evasion purposes) that are considered or deemed to be considered as resident in a Member State for tax purposes and are eligible to claim a tax relief under a double tax treaty or an EU directive. To identify such entities, the proposed directive lays down a "substance test", imposes additional tax compliance obligations on taxpayers, provides for sanctions, and extends the scope of automatic exchange of information between Member States. Ultimately, the application of the proposed directive can lead to a denial of a tax relief under a double tax treaty or an EU directive or trigger a tax audit. The proposed directive, once agreed among the Member States and adopted as a directive, could be required to be transposed by the Member States into their domestic legislation as early as 30 June 2023 and be applicable as from 1 January 2024 (which has not been the case). The entry into effect may then, be postponed to 1 January 2025 (if adopted at all). The proposed directive relates only to intra-EU situations, but the European Commission has also announced a new directive to respond to the challenges linked to non-EU shell entities. There are various interpretational elements pending clarification, including potential exemptions for certain AIFs.

Certain tax considerations are more fully discussed in the section entitled "TAXATION".

### **Risks Relating to the Euro**

Future default of EU member states may lead to the collapse of the Euro as it is constituted today or cause certain member states to cease to use the Euro as their national currency. This could have a detrimental effect on the performance of investments both in those countries that may experience a default on its liabilities and in other countries within the EU.

In the event of a renewed Euro-zone sovereign debt crisis there is the risk of the reintroduction of national currencies in one or more Euro-zone countries or, in particularly dire circumstances, the abandonment of the Euro. In such an event Shares issued in Euro may be converted into a new national or multi-lateral currency. The impact of a fragmentation or full break-up of the Euro on the Fund may be affected by a number of factors that are difficult to foresee, including the governing law of impacted contracts, the location of particular obligors and any capital controls that may be imposed by virtue of such an event occurring.

The departure or risk of departure from the Euro by one or more Euro-zone countries and/or the abandonment of the Euro as a currency could adversely affect Shareholders and have major negative effects on the Fund.

### **Political uncertainty within the EU**

On 23 June 2016, the United Kingdom (the "UK") held a referendum on its membership of the EU, and the UK formally left the European Union on 31 January 2020.

Transitional arrangements applied until the end of 2020 and a trade agreement (the “EU-UK Trade and Cooperation Agreement” or “TCA”) has been concluded between the UK and the EU and is now in force.

Despite the TCA, the relationship between the UK and the EU has fundamentally changed and there is still uncertainty about the impact of the new arrangements. Given the size and importance of the UK’s economy, uncertainty or unpredictability about its legal, political and economic relationship with the EU, will be a source of instability, may create significant currency fluctuations, and otherwise adversely affect international markets, trading or other arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. Any business that depends on the free movement of goods or the provision of cross-border services between the UK and the EEA (as currently constituted) could be adversely affected. The inability to provide cross-border services, restrictions on movements of employees, non-tariff barriers on goods, potential tariffs being imposed either due to “rules of origin” or non-compliance with the aspects of the TCA, increased transit times, and other factors, all have the potential to materially impair the profitability of a business. Consequences for some businesses could involve re-establishing the business in an EU member state, moving personnel and, if applicable, seeking authorization from local regulator(s) – all of which are costly and disruptive. All these factors could adversely affect the Fund, the performance of its investments and its ability to fulfil its investment objectives. Any decision of another member state to withdraw from the EU could exacerbate such uncertainty and instability and may present similar and/or additional potential risks.

### **Terrorism risk**

Terrorist attacks of unprecedented scope in recent years have caused instability in the world financial markets and may generate global economic instability. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices generally and market disruptions which could affect the Fund’s financial results.

### **Pandemic risks**

Occurrences of epidemics or pandemics, depending on their scale, may cause different degrees of damage to the national and local economies where the Fund invests. Global economic conditions may be disrupted by widespread outbreaks of infectious or contagious diseases, and such disruption may adversely affect the Fund and its potential returns. For example, the continuing spread of COVID-19 (also known as novel coronavirus or coronavirus disease 2019) may have an adverse effect on the value, operating results and financial condition of Fund, as well as the ability of the Fund to source and execute investments or divestments. The progress and outcome of the COVID-19 outbreak remains uncertain.

### **Cyber Security Breaches and Identity Theft**

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The AIFM’s, the Investment Manager’s, the Depositary’s, the Administrative Agent’s, the Registrar and Transfer Agent’s, the Corporate Agent’s, the Domiciliation Agent’s, the Listing Agent’s, the Paying Agent’s and the Fund’s information and technology systems, including cloud based systems for reproducing, processing and storing data, may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the relevant parties have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly,

those parties may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in those parties' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors). Such a failure could harm those parties' reputation, subject any such entity and their respective affiliates and beneficial owners to legal claims and otherwise affect their business and financial performance.

### **Specific Risk Factors of the Sub-Funds**

Please refer to the relevant Sub-Fund Appendix for specific risk factors applying to each of the Sub-Funds.

### 3. INVESTMENT RESTRICTIONS AND RISK MANAGEMENT

The Fund is subject to and will conduct its investment operations in compliance with the following general investment restrictions. The investment policy of a Sub-Fund may be subject to different, more detailed or additional investment restrictions than those provided below, in which case such different, more detailed or additional restrictions are disclosed in the relevant Sub-Fund Appendix.

#### **Risk diversification rules**

The following rules, together with any additional diversification rules as may be specified in the relevant Sub-Fund Appendix, shall not apply during the first eighteen months from launch of the relevant Sub-Fund, or during its liquidation period:

1. A Sub-Fund shall not invest more than 30 per cent. of its assets in securities of the same type issued by the same issuer.

This rule shall however not apply:

- to investments in securities issued or guaranteed by a member state of the OECD or by its local authorities or by public international bodies with an EU, regional or global scope; or
  - to investments in any Subsidiary or in underlying Investment Funds offering comparable safeguards in terms of risk spreading to those applicable to specialised investment funds. For the purpose of the application of this restriction, each sub-fund of an underlying Investment Fund with multiple sub-funds shall be considered as a separate issuer, provided that the principle of segregation toward third parties at the level of the various sub-funds is ensured.
2. A Sub-Fund shall not hold short positions equivalent to more than 30 per cent. of its assets on securities of the same type issued by the same issuer.
  3. When using financial derivative instruments, a comparable level of risk spreading must be observed by a Sub-Fund through an appropriate diversification of the underlying assets. To the same extent, the counterparty risk in an over-the-counter operation must, if necessary, be limited by taking into consideration the quality and the qualification of such counterparty. The Fund's direct or indirect risk exposure to any counterparty shall be limited to 30 per cent. of the assets of the relevant Sub-Fund in aggregate for all risks, except if the counterparty is a First Class Institution in which case the Fund's direct or indirect risk exposure may reach up to one hundred per cent. of the Fund's assets in aggregate for all risks.
  4. The Fund may not deposit cash representing more than 30 per cent. of the Fund's assets with the same entity. By way of exception, the Fund may deposit cash representing one hundred per cent. of the Fund's total assets with the Depositary.

For the purpose of the above calculations, the assets shall mean the net assets of the Sub-Fund as at each Valuation Date.

The above diversification rules, as well as any additional diversification rules provided in the relevant Sub-Fund Appendix, shall apply with respect to any new investment, at the time any such new investment is acquired. If at any point after such acquisition, the relevant investment exceeds any of the above limits as a

result of market movements, changes in the portfolio composition, or otherwise, the Fund will be required to remedy the situation, taking into account the interests of its Shareholders.

## **Leverage**

Leverage in this Prospectus means any method by which a Sub-Fund increases its exposure whether through borrowing cash or securities, or leverage embedded in derivative positions or by any other means. The sources of leverage which can be used include the below.

Leverage may be achieved through borrowings from banks and other lenders, margin lending, total return swaps, sale and repurchase agreements and taking short positions. The leverage employed by each Sub-Fund, if any, as well as any limits, are specified in the Appendix for that Sub-Fund. The amounts specified in each Appendix are the maximum leverage levels of the relevant Sub-Fund under normal market conditions. Higher levels of leverage are possible during limited periods when the expiration of certain derivatives contracts overlaps with the execution or extension of new contracts (e.g., currency forwards roll over transactions) and limited periods of high market volatility.

A Sub-Fund may borrow permanently or temporarily for investment purposes or otherwise. The borrowing limit in respect of each Sub-Fund is provided for in the applicable Appendix.

## **Risk Management, Liquidity Management and Risk Profile**

The Fund has adopted a risk management system and a conflicts of interest policy as required by the 2007 Law.

### *Risk Management*

The AIFM is responsible for the performance of the risk management function (within the meaning of the AIFM Provisions), under the ultimate supervision of the Fund. The AIFM will employ robust risk management practices in managing the Fund's investment activities, which from time to time may include single name limits and stress tests. The AIFM will implement and monitor these constraints using internally developed and third-party risk management analytics and tools.

### *Liquidity Risk Management*

The AIFM maintains a liquidity management process to monitor the liquidity risk of the Fund. The liquidity management systems and procedures allow the AIFM to apply various tools and arrangements necessary to ensure that the portfolio of the Fund is sufficiently liquid to respond appropriately to redemption requests.

In normal circumstances, redemption requests will be processed as set out in the section entitled "ISSUE AND REDEMPTION OF SHARES". Procedures have also been adopted to address redemption rights in exceptional circumstances, which procedures are described in the Articles and this Prospectus. Additional information in this respect is also made available at the registered office of the AIFM.

Other arrangements may also be used in response to redemption requests, including the temporary suspension or deferral of such redemption requests in certain circumstances or use of similar arrangements which, if activated, will restrict the redemption rights Investors benefit from in normal circumstances as set out under the heading "Suspension of the Calculation of the Net Asset Value Calculation" in the section entitled "ISSUE AND REDEMPTION OF SHARES".



### *Risk Profile*

The risk profile is determined in respect of each Sub-Fund, and is as disclosed in the relevant Appendix.

#### 4. CO-MANAGEMENT AND POOLING

For the purposes of effective management and in order to reduce the operational and administrative costs, the Board, or, as the case may be, the Investment Manager, with the approval of the AIFM, may decide that all or part of the assets of one or more Sub-Funds of the Fund be co-managed with the assets belonging to other Sub-Funds of the Fund or of another UCI (for the purpose hereof, each a "Participating Sub-Fund"). In the following paragraphs, the term "Co-Managed Assets" will refer to all the assets belonging to the Participating Sub-Funds which are subject to this co-management scheme. In such event, assets of the various Participating Sub-Funds will be under the custody of the same depositary bank.

Within this framework, the Board, or, as the case may be, the Investment Manager, with the approval of the AIFM may, for the account of the Participating Sub-Funds, take decisions on investment, divestment or on other readjustments which will have an effect on the composition of the Participating Sub-Funds' portfolios. Each Participating Sub-Fund will hold such proportion of the Co-Managed Assets which corresponds to a proportion of its Net Asset Value over the total value of the Co-Managed Assets. This ratio will be applied to each of the levels of the portfolio held or acquired in co-management. In the event of investment or divestment decisions, these ratios will not be affected and additional investments will be allocated, in accordance with the same ratios, to the Participating Sub-Funds and any assets realised will be withdrawn proportionally to the Co-Managed Assets held by each Participating Sub-Fund.

In the event of new subscriptions occurring in respect of one of the Participating Sub-Funds, the proceeds of the subscription will be allocated to the Participating Sub-Funds according to the modified ratio resulting from the increase of the net assets of the Participating Sub-Fund which benefited from the subscriptions, and all levels of the portfolio held in co-management will be modified by way of transfer of the relevant assets in order to be adjusted to the modified ratios. In like manner, in the event of redemptions occurring in respect of one of the Participating Sub-Funds, it will be necessary to withdraw such liquid assets held by the Participating Sub-Funds as will be determined on the basis of the modified ratios, which means that the levels of the portfolios will have to be adjusted accordingly. Shareholders must be aware that even without an intervention of the Board, or, as the case may be, of the Investment Manager, with the approval of the AIFM the co-management technique may affect the composition of the Sub-Fund's assets as a result of particular events occurring in respect of other Participating Sub-Funds such as subscriptions and/or redemptions. Thus, on the one hand, subscriptions effected with respect to one of the Participating Sub-Funds will lead to an increase of the liquid assets of such Participating Sub-Fund, while on the other hand, redemptions will lead to a decrease of the liquid assets of the relevant Participating Sub-Fund. The subscription and redemption proceeds may however be kept on a specific account held in respect of each Participating Sub-Fund which will not be subject to the co-management technique and through which the subscriptions and redemptions proceeds may transit. The crediting and debiting to and from this specific account of an important volume of subscriptions and redemptions and the Board's, or, as the case may be, the Investment Manager's with the approval of the AIFM, competent bodies' discretionary power to decide at any moment to discontinue the co-management technique can be regarded as a form of trade-off for the readjustments in the Sub-Funds' portfolios should the latter be construed as being contrary to the interests of the Shareholders of the relevant Participating Sub-Funds.

Where a change with respect to the composition of a specific Participating Sub-Fund's portfolio occurs because of the redemption of Shares of such Participating Sub-Fund or the payments of any fees or expenses which have been incurred by another Participating Sub-Fund and would lead to the violation of the investment restrictions of such Participating Sub-Fund, the relevant assets will be excluded from the co-management scheme before enacting the relevant modification.

Co-Managed Assets will only be co-managed with assets belonging to Participating Sub-Funds with which the investment policy is compatible. Given that the Participating Sub-Funds can have investment policies which are not identical, it cannot be excluded that the common policy applied will be more restrictive than that of the particular Participating Sub-Funds.

The Board, or, as the case may be, the Investment Manager, with the approval of the AIFM, may at any time and without any notice whatsoever decide that the co-management will be discontinued.

The Shareholders may, at any moment, obtain information at the registered office of the Fund, on the percentage of the Co-Managed Assets and on the Participating Sub-Funds that are subject to the co-management scheme. Periodic reports made available to the Shareholders from time to time will provide information on the percentage of the Co-Managed Assets and on the Participating Sub-Funds that are subject to the co-management scheme.

## 5. SHARES

### General

Shares will be issued in registered form only and are reserved for Eligible Investors. The Shares are evidenced by entries in the Fund's register of Shareholders. Shareholders shall receive a confirmation of their shareholding. The Fund shall consider the person in whose name the Shares are registered as the full owner of the Shares.

Title to Shares in registered form is transferred upon delivery of any instrument of transfer satisfactory to the Fund and by entry of the name of the transferee in the Fund's register of Shareholders.

Shares may be issued in fractions of up to three decimals or such other fractions as specified in the relevant Appendix. Such fractions of Shares shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class of Shares on a pro rata basis.

Each Share of the Fund, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of Shareholders, in compliance with Luxembourg law and the Articles.

### Classes of Shares

Each Sub-Fund may issue shares in the following main classes: Class A, Class I, Class O, Class X and Class Y. Classes of Shares may be made available in various currencies as the Board may decide from time to time and may be offered as Accumulating or Distributing Classes of Shares. Not all Sub-Funds will offer all Classes of Shares and the Fund may discontinue offering Shares of a particular Class at any time. The complete list of each Class of Shares and their specific features is available at the registered office of the Fund and of the AIFM and will be made available to Investors upon request.

#### *Class A Shares*

Class A Shares may be purchased by any Eligible Investors that meet the minimum initial subscription amount.

Minimum initial subscription and holding amount: 125,000 in the reference currency of the relevant Sub-Fund (or currency equivalent).

#### *Class I Shares*

Class I Shares are available only to Eligible Investors that are Institutional Investors. The Company will not issue Shares in Class I to persons or companies who may not be considered as Institutional Investors. Further, the Company will not give effect to any conversion of Shares which would result in a non-Institutional Investor becoming a Shareholder in Class I Shares.

Minimum initial subscription and holding amount: 250,000 in the reference currency of the relevant Sub-Fund (or currency equivalent).

#### *Class O Shares*

Class O Shares are available only to Eligible Investors that are Institutional Investors and who enter into an agreement with the AIFM or an affiliate of the AIFM.

Minimum initial subscription and holding amount: 1,000,000 in the reference currency of the relevant Sub-Fund (or currency equivalent).

### ***Class X Shares***

Class X Shares may be purchased by Eligible Investors provided they or the relevant sub-distributors have an agreement with the Global Distributor expressly providing them access to Class X Shares.

### ***Class Y Shares***

Class Y Shares are reserved for Eligible Investors that are Institutional Investors provided they or the relevant sub-distributors have an agreement with the Global Distributor expressly providing them access to Class Y Shares.

The minimum requirement amounts listed above shall not apply to employees or affiliates of the Investment Manager or to the Directors.

Shares belonging to different Classes of a Sub-Fund are added together for the purposes of the calculation of the minimum holding requirement.

If the minimum holding requirement is not maintained within a Sub-Fund due to a transfer, redemption or conversion of Shares, the Fund may compulsorily redeem the remaining Shares at their current Net Asset Value per Share and make payment of the proceeds thereof to the Shareholder.

## **6. ISSUE AND REDEMPTION OF SHARES**

### **Offering Details**

Shares are reserved for Eligible Investors.

The Fund reserves the right to accept or reject subscriptions in any amount, to accept or reject subscriptions in whole or in part, and to suspend at any time and without prior notice the issue of Shares. Shares are issued only in registered form. The inscription of a Shareholder's name in the register of Shares evidences a right of ownership of such Shares. The Shares are of no par value and carry no preferential or pre-emptive rights.

Subscriptions may also be made, subject to the Fund's consent, by way of a subscription in kind in accordance with the applicable Luxembourg law provisions and with the Articles. Contributed assets must be consistent with the investment policy of the relevant Sub-Fund. Any such subscription in kind will be valued in a report prepared by the Fund's auditor, to the extent required by Luxembourg law.

All the Shares are issued at the Net Asset Value per Share as at the applicable Dealing Date.

The Board may fix a minimum subscription amount for each Sub-Fund which, if applicable, is described in under the heading "Classes of Shares" in the section entitled "SHARES".

The Board reserves the right from time to time to waive any requirements relating to the minimum subscription or holding amount as and when it determines in its reasonable discretion and by taking into consideration the fair treatment of Shareholders. The Board may exercise such discretion in circumstances including, but not limited to, where a prospective investor in a particular Class already has other investments in the Fund that in the aggregate exceed the relevant minimum, or where a prospective investor has undertaken to reach the investment minimum within a specified period of time, or for banks, sub-distributors and financial institutions who are subscribing on behalf of their clients.

The mechanism for the calculation of the Issue Price per Share, plus the imposition of a subscription charge (if any), is set out in each case in the relevant Appendix. The subscription charge(s) goes to the relevant Sub-Fund and/or to the distributor (as determined for the relevant Sub-Fund) and it can be waived, provided that all investors having duly filed a subscription request for the same Dealing Date in the same subscription amounts are treated equally. Subject as set out in the relevant Appendix, the Issue Price shall be rounded to two decimals and any related subscription amounts will be rounded to the next currency unit. Issue of Shares shall be effected by the Fund only after receipt by the Registrar and Transfer Agent of good funds in payment therefor. Payment of Shares must in principle be made in the currency of each Sub-Fund, as described in the relevant Appendix. The Board may, for each Sub-Fund, determine other currencies in which the Issue Price may be paid.

Written applications to subscribe for Shares by fax or letter should be addressed to the Registrar and Transfer Agent, the Global Distributor or any sub-distributor (as may be detailed in the relevant Appendix) or the Fund so as to arrive within the time limit applicable to the relevant Sub-Fund (or Class) as specified in the relevant Appendix, or such other time limit as the Board may agree upon in its discretion subject to applicable laws and regulations. Order confirmation notices will be sent to Shareholders as soon as reasonably practicable and normally within one Business Day following the relevant Dealing Date.

As a result of Luxembourg anti-money laundering ("AML") laws the Registrar and Transfer Agent shall require that an application to subscribe for Shares be accompanied by appropriate documents, as defined in the appendix to the Application Form, enabling the Registrar and Transfer Agent to check the identity of the investors. The Registrar and Transfer Agent reserves the right to delay the processing of an application until receipt of satisfactory documentary evidence or information for the purpose of compliance with applicable laws.

The Fund may at its entire discretion refuse subscription requests and any acceptance of a subscription request is conditional upon receipt of cleared subscription funds.

Subscription requests are irrevocable, save as determined by the Board or its delegate.

## **Redemption**

All the Shares are to be redeemed at a Net Asset Value that is unknown to the redeeming Shareholder at the time the redemption request is placed.

Any Shareholder may request the redemption of Shares on any Dealing Date provided that such request must be received in writing by fax or letter by the Fund, a distributor, bank or financial institution authorised to that end (as detailed in the relevant Appendix) or the Registrar and Transfer Agent. The Fund may also accept redemption requests transmitted via electronic means. The request must be received in proper form within the time limit applicable to the relevant Sub-Fund (and Class) as specified in the relevant Appendix. If the request is received outside this time limit, and unless the Board has agreed to another time limit in its discretion subject to applicable laws and regulations, the Registrar and Transfer Agent shall defer the redemption until the following Dealing Date. The Fund must accept such request and redeem the Shares so tendered, provided that, if on any given Dealing Date the Fund receives redemption (and conversion) requests in excess of a "gated amount", the redemption (and conversion) requests may be deferred as provided for in the relevant Appendix. Requests for the redemption of Shares received by the Fund or by the Registrar and Transfer Agent are irrevocable. The Board or its delegate may, in its sole discretion, and upon written request from the Shareholder who requested the redemption of all or part of its Shares, authorise the cancellation of a request for such redemption. Any Shares redeemed by the Fund will be cancelled.

A redemption charge as described in the relevant Appendix (if any) can be levied. The redemption charge may be allocated to the relevant Sub-Fund, the Global Distributor and/or any sub-distributor, as shall be set forth in the relevant Appendix. It may be waived provided that all Shareholders who have duly filed a redemption request for the same Dealing Date and for the same redemption amounts are treated equally.

Save as set out in the relevant Appendix, redemption requests should state the number, form, Class and name of the Sub-Fund of the Shares to be redeemed as well as the necessary references enabling the payment of the redemption proceeds. Order confirmation notices will be sent to Shareholders as soon as reasonably practicable and normally within one Business Day following the relevant Dealing Date.

The Redemption Price to be paid by the Fund for the redemption of its Shares shall be equal to the Net Asset Value per Share (see the section entitled "DETERMINATION OF NET ASSET VALUE") on the Dealing Date in respect of which redemption is made, less a redemption charge (if any) as specified in the relevant Appendix. Subject as set out in the relevant Appendix, the Redemption Price will be rounded to two decimals and redemption proceeds will be rounded to the next currency unit. The Redemption Price shall be payable in the currency of the relevant Sub-Fund as specified in the relevant Appendix.

The Redemption Price may be higher or lower than the subscription price paid by the Shareholder at the time of subscription/purchase depending on whether the Net Asset Value per Share has appreciated or depreciated.

The Redemption Price shall be paid within such period after the relevant Dealing Date as shall be set forth in the relevant Appendix.

The Fund shall use its best efforts to maintain an appropriate level of liquidity in its assets so that the redemption of the Shares can, under normal circumstances, be made without delay upon request by the Shareholders.

If, however, in exceptional circumstances which are outside the control of the Board or of the Fund the liquidity of the portfolio of each Sub-Fund's assets is not sufficient to enable the payment to be made within the normal period, such payment shall be made as soon as reasonably practicable thereafter. Shareholders should note that if an application for redemption relates to a partial redemption of an existing holding and the remaining balance within the existing holding is below the minimum holding requirement, the Fund may redeem all the existing holding.

As a result of the Luxembourg anti-money laundering laws, the Registrar and Transfer Agent shall require that a request for the redemption of Shares by the Fund be accompanied by appropriate documents enabling the Registrar and Transfer Agent to check the identity of Shareholders and to complete the Investors' AML and KYC documentation as detailed in the Application Form. The Registrar and Transfer Agent reserves the right to delay the processing of a request until receipt of satisfactory documentary evidence or information for the purpose of compliance with applicable laws.

The Redemption Price may, upon demand by a Shareholder, and if the Fund, in its absolute discretion, agrees, also be satisfied in specie by allocation of securities and/or other assets equal in value to the Redemption Price. The securities vested by the Fund in a Shareholder in lieu of the Redemption Price shall be determined as concerns their nature and type on an equitable basis and without prejudicing the interests of the other Shareholders. Any securities and/or other assets vested by the Fund or contributed to the Fund shall be valued in a valuation report by the independent auditor of the Fund. The costs associated with such a redemption in specie (in particular, the valuation report by the independent auditor of the Fund) shall be borne by the relevant Shareholder or a third party but will not be borne by the Fund unless the Fund considers the redemption in specie is in the interest of the Fund or made to protect the interest of the Shareholders.

Unless the redeeming Shareholder is registered in the Fund's register, proper evidence of transfer or assignment must be sent with the redemption request, to the Fund or the Registrar and Transfer Agent or the relevant distributor (as detailed in the relevant Appendix).

## **Conversion**

Conversions into another Sub-Fund or Class may only take place provided all conditions for the holding of the new Sub-Fund or Class are fulfilled by the relevant Shareholder. Prior to converting any Shares, Shareholders should consult with their tax and financial advisers in relation to the legal, tax, financial or other consequences of converting such Shares. Conversion requests are irrevocable, save as determined by the Board or its delegate.



### ***Application for Conversions***

Conversion applications shall be made in writing by fax or letter to the Registrar and Transfer Agent, a distributor (as detailed in the relevant Appendix) or the Fund stating which Shares are to be converted. The Fund may also decide that applications for conversion may be made by electronic file transfer.

The application for conversion must include (i) the monetary amount the Shareholder wishes to convert or (ii) the number of Shares the Shareholder wishes to convert, together with the Shareholder's personal details and Shareholder's account number. Failure to provide any of the above information may result in delay of the application for conversion while verification is being sought from the Shareholder. The period of notice is the same as for applications for redemption save as otherwise set out in the relevant Appendix.

Conversions may result in the application of a conversion charge as shall be detailed in the Appendix, which will be based on the Net Asset Value per Share of the Shares the Shareholder wishes to convert from and, unless otherwise provided in the Appendix relating to the relevant Sub-Fund, goes to the Sub-Fund and/or Class from which they are converted. No redemption charge will be due upon the conversion of Shares. The Fund may waive the conversion charge, provided that all Investors having duly filed a conversion request for the same Dealing Date and for the same conversion amount are treated equally.

Shareholders should note that if an application for conversion relates to a partial conversion of an existing holding and the remaining balance within the existing holding is below the minimum holding requirement, the Fund may convert all the existing holding.

Applications for conversion on any Dealing Date received by the Registrar and Transfer Agent by the deadline specified in the relevant Appendix prior to a day that is a Dealing Date for both Sub-Funds concerned will be processed on that Dealing Date based on the Net Asset Value per Share calculated on the Valuation Date relevant for such Dealing Date. Any applications received after the deadline will be processed on the next day that is a Dealing Date for both Sub-Funds concerned on the basis of the Net Asset Value per Share calculated on such Dealing Date.

### ***Conversion Formula***

The rate at which all or part of the Shares in relation to a given original Sub-Fund are converted into Shares relating to a new Sub-Fund, or all or part of the original Shares of a particular Class are converted into a new Class in relation to the same Sub-Fund, is determined in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

where:

- A is the number of Shares to be allocated or issued by the Fund in relation to the new Sub-Fund or new Class;
- B is the number of Shares relating to the original Sub-Fund or to the original Class which is to be converted;
- C is the Net Asset Value per Share (minus the relevant conversion charge, where applicable) of the original Sub-Fund or the relevant Class within the original Sub-Fund at the relevant Dealing Date;

- D is the Net Asset Value per Share of the new Sub-Fund or the relevant Class within the new Sub-Fund at the relevant Dealing Date; and
- E is the exchange rate between the currency of the original Sub-Fund or Class and currency of the new Sub-Fund or Class.

If "A" is not an integral number, fractions of Shares will be allotted in the new Sub-Fund or Class.

After conversion of the Shares, the Registrar and Transfer Agent will inform the Shareholder of the number of Shares in relation to the new Sub-Fund or new Class obtained by conversion and the price thereof as soon as reasonably practicable and normally within one Business Day following the relevant Dealing Date.

If the minimum holding requirement for any Class, as described in the relevant Appendix, is not maintained due to a conversion of Shares, the Fund may compulsorily convert the remaining Shares at their current Net Asset Value per Share.

### **Transfer of Shares**

Transfer of Shares may only be carried out if the transferee qualifies as an Eligible Investor and is otherwise subject to the conditions applicable to the issuance of Shares.

Transfers should be in the form prescribed by the Fund and should be completed and delivered to the Registrar and Transfer Agent.

### **Prohibition of Late Trading and Market Timing**

The Fund has adopted protections against late trading and market timing practices as required by CSSF Circular 04/146.

Late trading is defined as the acceptance of a subscription, conversion or redemption order after the relevant cut-off time and the execution of such order at the Net Asset Value applicable to orders received before such cut-off time. Late trading is strictly forbidden and the Fund has implemented reasonable measures to ensure that late trading does not take place. The effectiveness of these measures is closely monitored.

Market timing is defined 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 values of the UCI.

Market timing practices are not acceptable as they may affect the performance of the Fund through an increase in costs and/or dilution in Net Asset Value. The Fund is not designed for investors with short-term investment horizons and, as such, activities which may adversely affect the interests of the Shareholders (for example that disrupt investment strategies or impact expenses), such as market timing or the use of the Fund as an excessive or short-term trading vehicle, are not permitted.

Accordingly, if the Fund determines or suspects that a Shareholder has engaged in such activities, the Fund may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or conversion application and take any action or measures as appropriate or necessary to protect the Fund and its Shareholders. Please

note that the Fund is limited in its ability to monitor trading activity in omnibus accounts of financial intermediaries, as some financial intermediaries may be unable or unwilling to provide the Fund with information about underlying shareholder activity.

## **7. DETERMINATION OF NET ASSET VALUE**

### **Calculation of Net Asset Value**

The Net Asset Value, Net Asset Value per Share, Net Asset Value per Class, Redemption Price of Shares and Issue Price of Shares shall be determined by the Administrative Agent on behalf of the Fund as of each Valuation Date. The Valuation Dates for each Sub-Fund are indicated in the relevant Appendix.

Whilst the reporting currency of the Fund is the Euro, the Net Asset Value of each Sub-Fund and the Net Asset Value of the relevant Class shall be expressed in the currency of each Sub-Fund as described in the relevant Appendix. The Net Asset Value shall be determined as of each Valuation Date separately for each Share of each Sub-Fund and for each Class by dividing the total Net Asset Value of the relevant Sub-Fund and of the relevant Class by the number of outstanding Shares of such Sub-Fund and of the relevant Class.

The Net Asset Value shall be determined by subtracting the total liabilities of the Sub-Fund or Class from the total assets of such Sub-Fund or Class in accordance with the principles laid down in the Articles and in such further valuation regulations as may be adopted from time to time by the Board.

### **Valuation of Investments**

Investments shall be valued by the AIFM based on the following rules:

1. Securities listed on London Stock Exchange Limited (the "Stock Exchange") shall be valued at the closing middle market price based on the daily official lists of the Stock Exchange.
2. Securities listed or dealt in on any other exchange or market shall be valued with reference to the closing middle market price or the average closing price, as appropriate, published in accordance with the recognised method of publication of such exchange or market.
3. Other Investments within Articles 76-80 inclusive of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 shall be valued at the price likely to be agreed between a willing buyer and a willing seller acting at arm's length and both in possession of all relevant freely available information concerning the relevant Investment.
4. Traded options and futures contracts to which the Fund is a party which are traded on a stock, financial futures or other exchange shall be valued by reference to the profit or loss which would arise on closing out the relevant contract at or immediately before the close of the relevant market.
5. Cash in hand or on deposit, prepaid expenses, dividends or interest declared or accrued but not yet received shall be valued at the full nominal amount thereof unless provision is considered appropriate on the basis that it is unlikely to be paid or received in full.
6. Money market instruments shall be valued according to the normal dealing practice therein having regard to cost, accrued income, maturity and income payment dates.
7. Any other assets shall be valued by reference to the last audited accounts of the Fund or, if acquired after the date of such accounts or before any such accounts have been prepared, at the book value thereof subject to any adjustment in accordance with the normal accounting policies of the Fund.

8. Where any Investment is listed or dealt in on more than one exchange or market, the valuation shall be by reference to the principal exchange or market. Where dealings are suspended, paragraph 3 above shall apply to investments within FSMA.
9. Notwithstanding the foregoing, where at the time of any valuation any asset has been realised or contracted to be realised it shall be valued at the net amount receivable (or estimated to be receivable) by the Fund.
10. Any assets denominated in a currency other than Euro shall be converted into Euro at the spot rate ruling at the close of business (London time), as quoted by a bank of repute operating in the foreign exchange markets.
11. Valuations falling to be made on a day which is not a business day for a relevant exchange or market shall be undertaken on the immediately preceding Business Day.
12. The value of each investment will be based on identified independent pricing vendors defined on an established pricing hierarchy as set out in the valuation policy of the Fund. The Administrative Agent is responsible for applying the values from the pricing sources in accordance with the pricing hierarchy. The Administrative Agent may utilise alternate independent pricing vendors or valuation sources to those listed in the designated hierarchies in exceptional circumstances and subject to the approval of the AIFM, with notification to the Board. Typically, this will only be done when:
  - The named vendors in the designated hierarchies do not supply a price for an asset;
  - The price supplied by the named vendors in the designated hierarchies is not consistent with the market;
  - The late delivery of vendor pricing files inhibits the Fund's NAV delivery deadlines.

All assets will be valued with accrued interest. The Fund may request the Investment Manager to assist the Administrative Agent in the discharge of this duty subject to the methodologies set out in any further documents which have been agreed by the Fund.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

The Fund and the AIFM may from time to time adopt and update (a) valuation policy(ies) based on the principles set out above but which shall enable the AIFM to proceed to a fairer valuation of (a) certain category(ies) of assets (such as hard-to-value assets, in accordance with Article 19 of the AIFM Directive).

If pursuant to special circumstances, valuation according to the above-described principles is impracticable or unfair, the Fund is authorised to use other generally accepted valuation principles as may be verified by its independent auditors, in order to obtain a fair determination of the value of the assets of each Sub-Fund or Class.

## **Valuation of Liabilities**

Liabilities shall be valued by the AIFM on a basis which fairly reflects actual, accrued and contingent liabilities (including proper provision for contingent liabilities and disputed claims) in accordance with the normal

accounting policies of the Fund as applied in the preparation of its last audited accounts or (before preparation of the first audited accounts) as recommended by the auditors of the Fund. Liabilities for this purpose shall include dividends declared but unpaid, taxation (including deferred taxation) and contractual obligations for the purchase of Investments.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

### **Partial Swing Pricing**

If on any Valuation Day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease in net assets which exceeds a certain percentage of total net assets (the "**threshold**"), as established by the Board or any duly authorised delegate of the Board, the Net Asset Value of the relevant Sub-Fund will be adjusted by an amount not exceeding 1.50% (the "**adjustment factor**") of that Net Asset Value, which reflects the estimated dealing costs (including brokerage fees, taxes, and pricing/market impacts) that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. This adjustment acts as a counter to the dilution effect on the relevant Sub-Fund arising from large net cash inflows and outflows and aims to enhance the protection of the existing Shareholders in the relevant Sub-Fund.

The swing pricing mechanism may be applied to the Climate Transition Buy and Maintain Plus 2025-2029 Fund and/or the Climate Transition Buy and Maintain Plus 2030-2034 Fund.

The adjustment up or down will be determined mechanically based on the predetermined threshold and adjustment factors. The adjustment will be an addition when the net movement results in a net increase in total net assets of the Sub-Fund and as a result, Investors who subscribe for Shares on that Valuation Date will effectively contribute an additional amount to offset the estimated dealing costs. The adjustment will be a deduction when the net movement results in a net decrease in total net assets of the Sub-Fund and as a result, Shareholders who redeem their Shares on that Valuation Date will effectively receive a lesser amount to offset the estimated dealing costs. The adjusted Net Asset Value will be applicable to all subscriptions, redemptions or switches in Shares of the relevant Sub-Fund on that Valuation Date and will not take into account the specific circumstances of any individual Investor transaction.

The threshold is set by the Board or any duly authorised delegate of the Board taking into account factors such as prevailing market conditions, estimated dilution costs and the size of the relevant Sub-Fund. The adjustment factor for each Sub-Fund is established by the Board or any duly authorised delegate of the Board based on the historical liquidity and costs of trading assets of the type held by the relevant Sub-Fund and may be different between Sub-Funds. The dealing costs actually incurred following an adjustment are compared to the estimated dealing costs on at least a quarterly basis and a recommendation to change the threshold or adjustment factor for a Sub-Fund may be made based on the observed difference between the actual and estimated costs. Any changes in the threshold or adjustment factor for a Sub-Fund must be approved by the Board or any duly authorised delegate of the Board. In addition, the Board or any duly authorised delegate of the Board may elect not to apply the adjustment factor to subscriptions of Shares for inflows which are in line with the target size of a Sub-Fund and in other cases which are in the interest of existing Shareholders. In such cases the AIFM or an affiliate may pay the amount of the otherwise applicable adjustment from its own assets in order to prevent dilution of shareholder value. In these circumstances, redemption requests will be dealt with based on the unadjusted Net Asset Value.

For the avoidance of doubt, it is clarified that the performance fee (if applicable) will continue to be calculated on the basis of the unswung Net Asset Value.

The price adjustment applicable to a specific Sub-Fund is available on request from the AIFM at its registered office.

### **Suspension of the Calculation of the Net Asset Value**

The Fund may temporarily suspend the calculation of the Net Asset Value of one or more Sub-Funds (a "**Suspension**") and in consequence the issue, redemption and conversion of Shares in any of the following events:

- a) during any period when any of the principal stock exchanges or any other regulated market on which any substantial portion of the Fund's Investments of the relevant Sub-Fund for the time being are quoted, is closed (otherwise than for ordinary holidays), or during which dealings are restricted or suspended; or
- b) any period when the net asset value of one or more Investment Funds, in which the Fund will have invested and the units or the shares of which constitute a significant part of the assets of the Fund, cannot be determined accurately so as to reflect their fair market value as at the Valuation Date; or
- c) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Sub-Fund by the Fund is impracticable; or
- d) during any breakdown in the means of communication normally employed in determining the price or value of any of the Fund's Investments or the current prices or values on any market or stock exchange; or
- e) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board be effected at normal rates of exchange; or
- f) if the Fund or the relevant Sub-Fund is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Fund or the Sub-Fund is proposed; or
- g) if the Board has determined that there has been a material change in the valuations of a substantial proportion of the investments of the Fund attributable to a particular Sub-Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; as well as
- h) during any other circumstance or circumstances where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment which the Fund or its Shareholders might so otherwise have suffered.

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 or conversion of Shares for which the calculation of the Net Asset Value has been suspended. Payments that would have been due but for such Suspension will be made as of the next relevant Dealing Date or as soon as practicable after the end of the Suspension.

### **Publication of Net Asset Value**

The Net Asset Value, Net Asset Value per Share, Net Asset Value per Class, Redemption Price of Shares and Issue Price of Shares are determined and published by the Administrative Agent on behalf of the Fund as of each Valuation Date.

### **Calculation Errors, Non-Compliance or Incorrect Application**

In the event of (among other things) any (i) Net Asset Value calculation errors, (ii) instances of non-compliance with investment rules, or (iii) incorrect application of partial swing pricing, CSSF Circular 02/77 or, as from 1 January 2025, CSSF Circular 24/856, shall apply. The tolerance threshold in respect of Net Asset Value calculation errors shall be of 0.5% of the Net Asset Value in respect of the Climate Transition Buy and Maintain Plus 2025-2029 Fund and Climate Transition Buy and Maintain Plus 2030-2034 Fund, and of 1.0% of the Net Asset Value in respect of the European Loans Fund and the Senior Secured Fund.

### **Compensation**

In case a Shareholder invests in the Fund through an intermediary investing into the Fund in the name of the intermediary but on behalf of the Shareholder, (i) it may not always be possible for the Shareholder to exercise certain rights as a Shareholder directly against the Fund and (ii) Shareholders' rights to compensation in the event of Net Asset Value errors/non-compliance with investment rules applicable to a Sub-Fund may be impacted and only exercisable indirectly.



## 8. MANAGEMENT AND ADMINISTRATION OF THE FUND

### Directors' Functions

The Directors are responsible for the overall Fund's management and control including the determination of the investment policy of each Sub-Fund.

### Directors

Traci McCormack 101 Seaport Boulevard, 11th Floor Boston, Massachusetts 02210 United States of America	Global Head of Fund and Client Services, Allspring Global Investments
Richard Goddard 21st Century Building 19, rue de Bitbourg L-1273 Luxembourg-Hamm Grand Duchy of Luxembourg	The Directors' Office S.A.
Jürgen Meisch Kölner Weg 15 D-50858 Köln Germany	
Yves Wagner 21st Century Building 19, rue de Bitbourg L-1273 Luxembourg-Hamm Grand Duchy of Luxembourg	The Directors' Office S.A.
Andrew Owen 525 Market Street, 12th Fl. San Francisco, California 94105 United States of America	Head of Global Fund Governance, Allspring Global Investments.

### Alternative Investment Fund Manager

The Fund has appointed Allspring Luxembourg as the AIFM of the Fund by entering into an AIFM Agreement with Allspring Luxembourg. The AIFM is inscribed on the official lists of management companies authorised under article 101 (2) of Chapter 15 of the 2010 Law and of authorised AIFMs under Chapter 2 of the AIFM Law, both published by the CSSF. The AIFM is a wholly owned subsidiary of Allspring Holdings.

The AIFM is responsible for:

- a) The investment management function (within the meaning of the AIFM Provisions) with respect to the Fund which includes portfolio management and risk management;
- b) The administration function with respect to the Fund which includes valuation and pricing; and
- c) The marketing function with respect to the Fund.

With the consent of the Fund, the AIFM has delegated all or part of its portfolio management, administration and marketing functions regarding the Fund, as described below.

The AIFM will monitor on a continued basis the activities of the third parties to which it has delegated functions, under the supervision of the Fund. The agreements entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties, and that it can withdraw their mandate under certain circumstances. The AIFM's liability towards the Fund is not affected by the fact that it has delegated certain functions to third parties.

The AIFM and the Investment Manager may, under their responsibility and at their own cost, appoint investment advisers or delegate their portfolio management functions to other investment managers from time to time (subject to the consent of the Fund and the prior approval of the CSSF), in which case this Prospectus shall be updated.

In the absence of the AIFM's negligence or wilful misconduct, the AIFM shall not be liable towards the Shareholders, the Fund, the members of the Fund's governing body or any other person with respect to any act or omission in connection with the duties and obligations performed by the AIFM pursuant to the AIFM Agreement.

Pursuant to the AIFM Agreement, the Fund will indemnify and hold harmless the AIFM, its governing body members, officers and employees of and from all costs, expenses, losses, damages, liabilities, demands, charges and claims of any kind or nature whatsoever, including, without limitation, any reasonable legal expenses and costs and expenses relating to investigating or defending any demands, charges and claims, that may be incurred directly or indirectly by it or made against it either (i) as a direct consequence of any breach by the Fund of the AIFM Agreement, or (ii) arising out of any action properly taken or omitted by the AIFM in accordance with the AIFM Agreement and/or in accordance with Proper Instructions (as defined in the AIFM Agreement) where required, or (iii) as a result of the non-payment by the Fund of any amount falling due under the AIFM Agreement, or (iv) as a direct consequence of any negligent act or omission or wilful misconduct of the Fund under the AIFM Agreement, or (v) as a direct consequence of any negligent act or omission or wilful misconduct of any third-party central administration agent of the Fund or any other third party retained by the Fund to assist with passport notifications contemplated in Article 30 of the AIFM Law.

Pursuant to Article 8 (7) of the AIFM Law, the AIFM shall cover potential professional liabilities risks resulting from activities it may carry out by holding a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

## **Investment Manager**

The AIFM has, pursuant to the Alternative Investment Fund Portfolio Management Agreement (the "AIF Portfolio Management Agreement"), delegated the portfolio management of the Fund to the Investment Manager, Allspring Global Investments (UK) Limited.

The Investment Manager is regulated and authorised to conduct investment business by the UK Financial Conduct Authority and is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended. The Investment Manager is based in London and is a wholly owned subsidiary of Allspring Holdings. The Investment Manager provides investment advisory services to banking or thrift institutions, investment companies, pension and profit sharing plans, corporations, and state or municipal government entities.

The AIF Portfolio Management Agreement is terminable at any time by any party giving not less than sixty (60) calendar days' notice in writing to the other party or with immediate effect at any time by a party giving notice in writing to the other party in any of the particular events set forth in the AIF Portfolio Management Agreement.

Under the control and instruction of the AIFM, when executing transactions or placing orders with other persons on behalf of the Sub-Funds, the Investment Manager shall take all reasonable steps to obtain best execution and shall act in good faith and with due diligence in its choice and use of any counterparties.

The Investment Manager shall be remunerated as detailed in the section entitled "FEES AND EXPENSES".

## **Depository**

By means of the Depository Agreement, the Fund has appointed BBH as its depository bank.

The Depository shall exercise its functions and responsibilities in accordance with Part II of the 2007 Law and the AIFM Law. Its principal duties are as follows:

- a) Safe-keeping of the assets of the Fund that can be held in custody (including book entry securities) and record-keeping of assets that cannot be held in custody in which case the Depository must verify their ownership;
- b) Ensuring that the Fund's cash flows are properly monitored, and in particular ensuring that all payments made by or on behalf of investors upon the subscription of Shares of the Fund have been received and that all cash of the Fund has been booked in cash accounts that the Depository can monitor and reconcile;
- c) Ensuring that the issue, redemption and cancellation of Shares of the Fund are carried out in accordance with Luxembourg law and the Articles;
- d) Ensuring that the value of the Shares of the Fund is calculated in accordance with Luxembourg law, the Articles and the valuation procedures;
- e) Carrying out the instructions of the AIFM, unless they conflict with Luxembourg law or the Articles;
- f) Ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and
- g) Ensuring that the Fund's income is applied in accordance with Luxembourg law and the Articles.

In relation to the duties of the Depository regarding custody as referred to in paragraph (a) above, and in respect only of Financial Instruments (as defined in article 1(51) of the AIFM Law) which may be held in custody, the Depository shall, in accordance with the AIFM Law, be liable to the Shareholders for any loss of such Financial Instruments held by the Depository or any delegate of the Depository to whom safe-keeping of assets services has been delegated (a "Sub-Custodian"), save to the extent that any such liability has been contractually delegated to a Sub-Custodian pursuant to article 11 and article 19(13) of the AIFM Law (which is not the case at the date of this Prospectus).

The Depository shall delegate to a Sub-Custodian only such functions as are permitted to be delegated by the Depository under the AIFM Law (i.e., safekeeping functions) and, regarding any such delegation, the

Depository shall adhere to the due diligence and supervisory requirements of the AIFM Law in the selection and ongoing monitoring of each Sub-Custodian.

In the event that no Sub-Custodian, in a particular jurisdiction, has, due to legal constraints in the law of that jurisdiction, been identified by the Depository as being capable of fulfilling the delegation requirements of the AIFM Law, the AIFM shall ensure that the Shareholders are duly so informed prior to their investment and shall set out for the Shareholders the circumstances that, in the reasonable opinion of the Fund, justify such delegation.

In the event that the delegation requirements of the AIFM Law are not capable of being fulfilled by a Sub-Custodian after the Shareholder has invested in the Fund, the Fund shall also ensure that the Shareholders are informed of the legal constraints in the relevant law and of the circumstances that, in the reasonable opinion of the AIFM, justify such delegation.

Such information in respect of a Sub-Custodian shall be notified to Shareholders prior to the investments which require the appointment of such a Sub-Custodian. A list of the appointed Sub-Custodians shall be kept up-to-date and made available to the Shareholders at the registered office of the Fund. The Fund will provide the Shareholders with a description of the delegated safekeeping function(s) as well as the identification of the Sub-Custodian and any conflict of interest that may arise from such delegation(s).

The Depository has not entered into arrangements to contractually discharge itself of liability in accordance with article 19(13) of the AIFM Law. If it is contemplated that the Depository will discharge itself of liability in accordance with paragraph (13) of article 19 of the AIFM Law, the AIFM will inform the Shareholders of any changes with respect to the Depository's liability without delay.

The Depository and the Fund may terminate the Depository Agreement at any time upon ninety (90) days' prior written notice. However, the breach of any material provision contained in the Depository Agreement by either party shall entitle the other party to terminate the Depository Agreement upon thirty (30) days' prior written notice, unless such breach is cured within such period. Upon any such termination, the Depository shall take all necessary steps to preserve the interests of the Shareholders until a replacement depository is appointed, such replacement to be appointed within two (2) months in accordance with the 2007 Law.

In the event of termination, the Fund or the AIFM is required to use its best endeavours to find a successor depository. The Depository may not be removed by the Fund until the Fund has appointed a replacement depository.

#### **Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent**

The AIFM has appointed BBH as the Administrative Agent of the Fund, and the Fund has appointed BBH as its Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent, by means of the Administration Agreement.

BBH, the AIFM and the Fund may terminate the Administration Agreement at any time upon ninety (90) days' prior written notice. However, the breach of any material provision contained in the Administration Agreement by any party shall entitle the other parties to terminate the Administration Agreement upon thirty (30) days' prior written notice, unless such breach is remedied within such period.

BBH is subject to CSSF Circular 22/811, which specifies principles of sound governance and requirements as to substance, internal organisation and reporting to be complied with by entities acting as undertakings for collective investment (UCI) administrator.

#### *Administrative Agent*

In its capacity as Administrative Agent, BBH is responsible for the administration of the Fund and in particular for the determination of the Net Asset Value of the Shares, for the maintenance of the accounts of the Fund, the safekeeping of the corporate documents of the Fund and providing the administrative support for the Fund.

The Administrative Agent is also responsible for arranging the provision of the annual report of the Fund. In compliance with usual banking practices in Luxembourg, the Administrative Agent may, pursuant to its responsibility and in good faith, delegate part or all of the services to be performed as administrative agent to other institutions or service providers of good standing. Such delegation requires the consent of the CSSF.

#### *Domiciliary Agent*

As Domiciliary Agent, BBH has permitted the Fund to establish its registered office at 80, Route d'Esch, L-1470 Luxembourg and shall provide various corporate services.

#### *Corporate Agent*

As Corporate Agent, BBH is responsible for preparing the annual general Shareholders' meeting of the Fund and maintaining the Fund's register of Shareholders.

#### *Listing Agent*

As Listing Agent, BBH shall be responsible for maintaining the Shares on the official trading list of the Luxembourg Stock Exchange, if and when applicable.

#### *Registrar and Transfer Agent*

In its capacity as Registrar and Transfer Agent, BBH is responsible for all registrar and transfer agent duties required by Luxembourg law, including processing the issue, redemption, cancellation and transfer of the Shares of the Fund and for the maintenance of records. The Registrar and Transfer Agent is in charge of providing and supervising services with regard to the dispatch of statements, reports, notices, announcements, proxies and other documents to the Shareholders of the Fund.

The Registrar and Transfer Agent must ensure that appropriate shareholder identification procedures and controls are in place and applied as stipulated by Luxembourg money laundering and terrorism financing prevention legislation.

#### *Paying Agent*

As Paying Agent, BBH shall act, for the account of the Fund, in connection with the payment to the Shareholders of any amounts in relation to the holding of Shares in the Fund in respect of a Sub-Fund, including the payment of dividends and other distributions.

## **Auditors**

Ernst & Young S.A. has been appointed as approved statutory auditor of the Fund and will audit the Fund's annual financial statements.

The Auditor must carry out the duties provided by the 2007 Law and the AIFM Law. In this context, the main obligation of the Auditor is to audit the accounting information contained in the Fund's annual report.

The Auditor is also subject to certain reporting duties vis-à-vis the regulators as more fully described in the AIFM Provisions and the 2007 Law.

## **Distribution**

It is anticipated that the Shares will be distributed to Eligible Investors by way of private placement in certain key jurisdictions outside the EU/EEA. Distribution in certain EU/EEA jurisdictions will be carried out under the appropriate passport and notification procedure and subject to local marketing rules.

The AIFM acts as the global distributor for the Fund and may appoint sub-distributors (both affiliated and non-affiliated). As at the date of this Prospectus, the AIFM has engaged, among others, Allspring Funds Distributor, LLC ("Allspring Funds Distributor"), Allspring UK, Allspring Global Investments (Hong Kong) Limited ("Allspring HK") and Allspring Global Investments (Singapore) Pte. Ltd. ("Allspring Singapore") as sub-distributors or marketing representatives, each of which may receive compensation from Allspring Luxembourg for their activities as such. The AIFM, Allspring Funds Distributor, Allspring UK, Allspring HK and Allspring Singapore are all affiliates of Allspring Holdings.

## **Shareholders' Rights against Service Providers**

Shareholders are not parties to the contracts entered into on behalf of the Fund with any service provider mentioned in this Prospectus. Therefore, they hold no rights against service providers and can only direct complaints and lawsuits, arising out of or in connection with the obligations of the service providers, against the Fund itself.

## 9. FEES AND EXPENSES

### **AIFM**

The AIFM shall receive and be entitled to retain the following fees payable by the Fund:

#### *AIFM fee*

The fee payable to the AIFM for each Sub-Fund in respect of administration (including valuation and pricing), marketing and risk management functions performed by the AIFM (the "AIFM Fee") is specified in the relevant Appendix.

The AIFM shall be entitled to receive reimbursement for its reasonable disbursements including but not limited to out-of-pocket expenses incurred in the performance of its duties. The AIFM shall also be entitled to receive out of the assets of the Fund additional fees corresponding to the provision of additional services, as agreed from time to time with the SICAV for complying with regulatory requirements.

Where applicable, any Value Added Tax associated with the above fees and reimbursements will be charged to the relevant Sub-Fund.

#### *Investment Management fee*

The fee to be levied and paid to the AIFM for each Sub-Fund or Class in respect of the portfolio management function performed by the AIFM (the "Investment Management Fee") is specified in the relevant Appendix. All or a portion of such Investment Management Fee will be paid to the Investment Manager.

The AIFM, the Investment Manager or any of their affiliates may to the extent permitted by law, and without prejudice to the provision contained under the heading "Fair Treatment of Shareholders" in the section of this Prospectus entitled "GENERAL INFORMATION" waive, rebate, or make retrocession payments to third parties, in relation to all or any portion of the Investment Management Fee applicable to Shares owned by any Investor without notice to the other Investors.

#### *Performance fee*

In order to provide an incentive to the Investment Manager, the Fund may pay an additional performance fee to the AIFM for onward payment to the Investment Manager as indicated in the Appendix of the relevant Sub-Fund.

The performance fee (if applicable) shall be calculated and accrue and shall be payable as specified in the relevant Appendix.

The Investment Manager has agreed that the Investment Management Fee and performance fees due to it in relation to any Sub-Fund may also be reduced as further detailed in the relevant Appendix.

### **Depository**

The depository fees to cover the services of the Depository for each Sub-Fund are specified in the relevant Appendix.

## **Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent**

The administrative, domiciliary, corporate, listing, registrar and transfer agency and paying agency fees to cover the services of the Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent and Paying Agent for each Sub-Fund are specified in the relevant Appendix.

### **Launch costs**

The Fund's formation expenses, including the costs and expenses of producing the initial Prospectus, and the legal and other costs and expenses incurred in determining the structure of the Fund have been paid, apportioned pro rata to the initial Sub-Fund and amortised for accounting purposes over a period of five years. Amortised expenses may be shared with new Sub-Funds at the discretion of the Board. Costs in relation to the launch of any additional Sub-Fund will be charged to such additional Sub-Fund and will be amortised over a period of five years from the launch of the relevant Sub-Fund.

### **Other expenses**

The Fund will further pay all administrative expenses of the Fund due or accrued, including all fees payable to any Directors, representatives and agents of the Fund, the cost of its registration with regulatory authorities, as well as legal, audit, management, corporate fees and expenses, the cost of legal publications, prospectuses, financial reports and other documents made available to Shareholders, marketing and advertisement expenses and generally any other expenses arising from the administration of the Fund.



## **10. DISTRIBUTION POLICY**

The dividend distribution policy of each Sub-Fund and Class is described in the relevant Appendix.

No distribution may be made if, as a result, the Net Asset Value of the Fund would fall below Euro 1,250,000.

Interim dividends may be distributed as the Board may determine in compliance with applicable law.

## 11. PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism (the “**2004 Law**”), the Grand Ducal regulation dated 1 February 2010 providing details on certain provisions of the 2004 Law (the “**AML Regulation**”), the CSSF regulation N° 12-02 dated 14 December 2012 on the fight against money laundering and terrorist financing, as amended by CSSF Regulation 20-05 (“**CSSF Regulation 12-02**”), each as may be amended from time to time), as well as regulations and circulars of the supervisory authority, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs / AIFs for money laundering and financing of terrorism purposes (“**AML Rules**”). As a result of such provisions, the Administrative Agent must ascertain, among others, the identity of the subscriber as well as the source of funds in accordance with Luxembourg laws and regulations. The Administrative Agent may require subscribers to provide any document they deem necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the Fund nor the AIFM nor the Administrative Agent can be held liable for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

As part of such due diligence process to be performed by the Fund pursuant to the CSSF Circular 17/650 (as amended by CSSF Circular 20/744), Shareholders may also be requested to provide information on, among others, the following:

- for Luxembourg resident Shareholders, all types of direct taxes, registration and succession rights and VAT; and
- for non-resident Shareholders, relevant taxes in the country of residence of the Investor, regardless of the said country’s tax system.

In addition, whenever Shares are subscribed through an intermediary acting on behalf of others, the Fund shall apply enhanced customer due diligence measures for such intermediary, *mutatis mutandis* pursuant to the terms of Article 3-2(3) of the 2004 Law, Article 3(3) of the AML Regulation and Article 28 of CSSF Regulation 12-02.

Any information provided in this context is mainly collected for anti-money laundering compliance purposes, but may be used for other mandatory regulatory purposes (e.g. publication with the Luxembourg Beneficial Owners Register (*Registre des Bénéficiaires Effectifs*) pursuant to the Luxembourg law of 13 January 2019 establishing a register of beneficial owners) as well.

In addition, as part of its ongoing obligations in relation to anti-money laundering, counter proliferation financing and counter terrorism financing, the Fund will perform checks consistent with a risk-based approach to ensure any investments made by it (a) comply with all relevant AML Rules and (b) will be protected from risk deriving from offences of money laundering and terrorist financing.

## 12. TAXATION

### Luxembourg Tax Considerations

**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, including prospective Investors. 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.**

### *Taxation of the Fund*

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

A Euro 75 registration tax was paid upon incorporation and is payable each time the Articles are amended. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of Shares.

The Fund is subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.01 per cent. per annum based on the net asset value of the Fund at the end of the relevant quarter, calculated and paid quarterly.

Subscription tax exemption applies to (i) the Fund's Investments in other UCIs, which have already borne the Luxembourg subscription tax, (ii) SIFs as well as individual compartments with multiple compartments whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, and the weighted residual portfolio maturity of which does not exceed 90 days, and which have obtained the highest possible rating from a recognised rating agency, (iii) SIFs whose securities are reserved for institutions for occupational retirement provision, (iv) SIFs as well as individual compartments whose main object is the investment in microfinance institutions and (v) SIFs that are authorised as European Long-Term Investment Funds (ELTIFs) in accordance with Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds.

### *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 however benefit from some double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of the withholding tax rate. The application of a double tax treaty to the Fund must be analysed on a case by case basis.

Distributions made by the Fund are not subject to withholding tax in Luxembourg.

## ***Taxation of Shareholders***

### ***Luxembourg resident individual Investors***

Capital gains realised on the sale of the Shares by Luxembourg resident individuals Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold before or within 6 months from their subscription or purchase; or
- (ii) the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller, alone or with his/her spouse and underage children, has participated either directly or indirectly at any time during the five years preceding the date of the disposal in the ownership of more than 10 per cent. of the capital or assets of the company.

Distributions made by the Fund will be subject to personal income tax at the level of the Luxembourg resident individual Investors.

Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of (currently) 45.78 per cent.

### ***Luxembourg resident corporate Investors***

Luxembourg resident corporate Investors having their registered office in Luxembourg-City will be subject to corporation tax at an overall rate (i.e. including Luxembourg corporate income tax, Luxembourg municipal business tax and solidarity surcharge) of 24.94 per cent. on distributions received from the Fund and any gains received upon disposal of the Shares (to the extent such distributions and gains exceed EUR 200,000).

Luxembourg resident corporate Investors who benefit from a special tax regime, such as, for example, (i) undertakings for collective investment subject to the 2010 Law, (ii) specialised investment funds subject to the 2007 Law, (iii) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies or (iv) a reserved alternative investment fund governed by the law of 23 July 2016, are exempt from income tax in Luxembourg, and instead subject to an annual subscription tax (*taxe d'abonnement*). Income derived from the Shares, as well as gains realised thereon, are therefore not subject to Luxembourg income taxes.

The Shares will form part of the taxable net wealth of any Luxembourg resident corporate Investors except if the holder of the Shares is (i) an undertaking for collective investment subject to the 2010 Law, (ii) a vehicle governed by the law of 22 March 2004 on securitization, (iii) a company governed by the law of 15 June 2004 on venture capital vehicles, (iv) a specialised investment fund subject to the 2007 Law, (v) a family wealth management company subject to the law of 11 May 2007 related to family wealth management companies or (vi) a reserved alternative investment fund governed by the law of 23 July 2016. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5 per cent. (unless minimum net wealth tax applies). A reduced rate of 0.05 per cent. is due for the portion of the net wealth tax exceeding Euro 500 million.

### *Non Luxembourg resident Investors*

Non-resident individuals or collective entities that do not have a permanent establishment in Luxembourg to which the Shares are attributable are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on distributions received from the Fund, and the Shares will not be subject to net wealth tax.

### ***Luxembourg ATAD***

ATAD 2 was implemented in Luxembourg in December 2019.

ATAD 2 seeks to prevent outcomes resulting from hybrid mismatches and may possibly lead to the denial of the tax deductibility of payments made by a Luxembourg or EU investee/holding company to the Fund or to the inclusion of exempt income in the Luxembourg tax base.

ATAD 2 requires the obligation of the Fund to obtain and verify information on all of its Investors that the Fund deems necessary in order to assess and mitigate any tax risks that may arise under ATAD 2. Upon request of the Fund, each Investor shall agree to provide certain information along with the required supporting documentation. Similarly, each Investor shall agree to actively provide to the Fund any information that would affect its tax status.

ATAD 2 may result in the obligation for the Fund to disclose tax information and supporting documents such as the tax returns of the Investor or tax certificates (non-exhaustive list) to the Luxembourg tax administration.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition under ATAD 2, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to an additional tax burden as result of ATAD 2, the value of the Fund interests held by the Investors may suffer material losses.

Any Investor that fails to comply with the Fund's documentation requests may be charged with any taxes, penalties or other charges imposed on the Fund or on any of its affiliates attributable to such investor's failure to provide the information and the Fund may, in its sole discretion, take such measures as it deems appropriate in its reasonable discretion to mitigate the additional tax burden resulting from ATAD 2. Such measures may, without limitation, include:

- redeeming the Shares of such Investor;
- permitting the Investor to transfer its Shares to an acquirer that is not causing any issue under ATAD 2;
- excluding the Investor from participating in future Investments by the Fund and from providing capital contributions in order to fund such Investments;
- requiring the Investor to withdraw from the Fund.

### ***Automatic Exchange of Information – Common Reporting Standard***

The OECD has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") on a global basis.

Accordingly, the Fund may require its Investors to provide information 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 a Shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the Luxembourg Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (the "CRS Law").

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to, notably, implement the CRS among non-member states; it requires agreements on a country-by-country basis.

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 in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations, as certain disclosure and withholding tax obligations may be imposed in respect of Investors and their beneficial owners as a result of any of the tax information exchange provisions referred to above (or any other similar or related provisions). Investors will be required to consent to any action (including disclosure) and shall agree to provide the Fund with all such documentation and information as it may require in connection with such disclosure and/or withholding tax obligations.

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

#### ***Automatic Exchange of Information - DAC6***

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

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

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

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

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

The information reported will be automatically exchanged between the tax authorities of all member states.

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

### **Certain US Federal Income Tax Considerations**

**The following discussion of Certain US federal income tax considerations of an investment in the Fund by US Persons generally exempt from US federal income taxation under Section 501(a) of the Code (“US Tax-Exempt Investors”) and “Non-US Investors” (as defined below) is not intended as a substitute for careful tax planning. It does not address all of the relevant tax principles that will apply to the Fund and its Investors. In particular, it does not discuss the tax principles of countries other than the US or Investors other than Non-US Investors and US Tax-Exempt Investors. As used herein, the term “Non-US Investor” means the beneficial owner of a Share that is a non-resident alien individual or foreign corporation for US federal income tax purposes and is neither (i) otherwise subject to special treatment under the Code nor (ii) a non-resident alien individual who is present in the US for more than 183 days or more in a taxable year or has a “tax home” in the US. Prospective Investors in the Fund are urged to consult their professional advisers regarding the possible tax consequences of an investment in the Fund in light of their own situations. In particular, rates and bases of taxation may be subject to change.**

**If a partnership or other entity classified as a partnership for US federal income tax purposes owns any Shares in the Fund, the tax treatment of a partner in such partnership or equity owner in such other entity generally will depend upon the status of the partner or equity owner and the activities of such partnership or other entity and of the Fund. Accordingly, partnerships and other entities classified as partnerships for US federal income tax purposes that hold Shares and partners in such partnerships or equity owners in such other entity are encouraged to consult their own tax advisors.**

**This summary is based on laws, including the Code and the Treasury Regulations promulgated thereunder, and judicial decisions, administrative rulings and practice, and other authorities, including private letter rulings that are not binding on the Internal Revenue Service (the “IRS”) except with respect to the taxpayer that obtained the ruling, all in effect as of 2 September 2021. No assurance can be given that future legislative or administrative changes or judicial decisions will not affect the accuracy of the descriptions or conclusions contained herein. In addition, any such changes may be retroactive and apply to transactions entered into prior to the date of their enactment, promulgation or release. No ruling will be sought from the IRS regarding any of the tax issues discussed herein, and no assurance can be given that the IRS will not challenge any of the positions taken by the Fund and that such a challenge would not succeed.**

**More specifically, the discussion of US federal income tax considerations contained in this Prospectus is limited to the US federal income tax issues addressed herein. Additional considerations may exist that are not addressed in this disclosure and that could affect the US federal income tax treatment of the matters that are the subject of this Prospectus. ACCORDINGLY, PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISERS WITH RESPECT TO THE US FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF INVESTING IN THE SHARES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.**

### ***Taxation of the Fund and its Subsidiaries***

The Fund intends to be treated as an association taxable as a corporation for US federal income tax purposes. The Fund intends to take the position that the Fund and each Sub-Fund comprise a single association for US

federal income tax purposes. However, it is possible that the IRS could challenge the treatment of the Fund and Sub-Funds as a single association for US federal income tax purposes. If the IRS successfully challenged such treatment, then each Sub-Fund would be treated as a separate entity classified as an association taxable as a corporation for US federal income tax purposes. In such a situation, the US federal income tax considerations described in this Prospectus applicable to the Fund would apply to each Sub-Fund and the applicable Shareholders of such Sub-Fund separately. Each Subsidiary intends to elect to be treated and qualify as a disregarded entity that is not separate from its owner for US federal income tax purposes, and thus does not expect to be separately subject to US federal income tax. Accordingly, for US federal income tax purposes, the activities of such Subsidiary will be treated as the activities of the Fund (or, if the Fund and Sub-Funds are classified as separate associations as described above, then the applicable Sub-Fund). The Fund (and the Sub-Funds to extent treated as separate associations) and the Subsidiaries intend to structure their activities and investments in a manner such that they generally should not be deemed to be engaged in a trade or business in the US for US federal income tax purposes and intend to take the position that they are not generally subject to US federal income tax on a net income basis. However, due to the possibility that a Subsidiary may invest in Senior Secured Obligations and other debt instruments in the US, there is a risk that such Subsidiary will be considered to be engaged in a US trade or business. Section 864(b)(2) the Code, and US Treasury Regulations Section 1.864-2(c)(2)(i) and (ii) provide that the term "trade or business within the United States" does not include trading in securities for a taxpayer's own account. This exception does not apply, however, if the taxpayer is a dealer in stock or securities. Such Subsidiary should not be considered a dealer in stock or securities (as defined in US Treasury Regulations Section 1.864-2(c)(2)(iv)) because it will trade only for its own account and will not purchase and sell securities to customers. However, investments by such Subsidiary directly in US bank loans or other US debt instruments and in partnerships (or entities or arrangements treated as partnerships for US tax purposes) engaged in a US lending trade or business (or other US trade or business), including with respect to origination of US bank loans and purchases of US bank debt, may cause such Subsidiary to be considered to be engaged in a US trade or business. Further, should such Subsidiary be deemed to be engaged in a US trade or business, the Fund will also be deemed to be so engaged. If the Fund and its Subsidiary is determined to be engaged in a trade or business in the US for federal income tax purposes either by reason of its activities or investments, and the Fund or such Subsidiary has taxable income that is treated as effectively connected with its US trade or business ("ECI"), the Fund would be subject under the Code to the regular US federal corporate income tax (and possibly state and local taxes) on ECI earned by such Subsidiary (and possibly a 30 per cent. branch profits tax on after-tax income as well) and the Fund and such Subsidiary would be required to file US tax returns (and possibly state and local tax returns as well). The imposition of such taxes would materially affect the Fund's financial ability to make distributions with respect to the Shares and would adversely affect the value of the Shares. Moreover, if the Fund's Subsidiary is treated as an association taxable as a corporation and as engaged in a trade or business in the US for federal income tax purposes, such Subsidiary could be subject to US federal income tax on a net income basis (and possibly a 30 per cent. branch profits tax), such Subsidiary could be obligated to file a US federal income tax return, and the amounts available for such Subsidiary to distribute to the Fund may be reduced.

For income that is not ECI, the Fund is generally subject to withholding at the rate of 30 per cent. (subject to reduction under an applicable tax treaty) on all US source fixed, determinable, annual or periodic income (such as dividend income and interest income), other than interest on bank deposits or interest that qualifies for the "portfolio interest exemption" pursuant to Section 871 or 881 of the Code which is not subject to withholding.

Payments received by the Fund directly or through any of its Subsidiaries from debt securities issued by an issuer will not qualify for the portfolio interest exemption if the Fund (i) owns, actually or constructively, (A) in the case of an entity classified as a corporation for US federal income tax purposes shares of such corporation's stock that represents at least 10 per cent. of the total combined voting power of all classes of the



corporation's stock entitled to vote or (B) in the case of an entity classified as a partnership for US federal income tax purposes 10 per cent. or more of the capital or profits interest in such partnership, (ii) is a "controlled foreign corporation" that is related, directly or indirectly, to such issuer through sufficient stock ownership, or (iii) the amount of the payment on a debt security is determined by reference to any receipts, sales or other cash flow, income or profits, change in value of any property of, or dividend or similar payment made by, the issuer of such debt security or a person related to such issuer.

### ***US Real Property Investments***

The Foreign Investment in Real Property Tax Act of 1980, as amended, imposes a tax on gain realised on disposition by a non-US Person (such as the Fund) of a "United States real property interest" ("USRPI") by treating such gain as ECI, and thus subject to US income tax at graduated rates applicable to US Persons. The Fund (through its investment in any Subsidiary) will be subject to tax on its allocable portion of gain from the sale of a USRPI by any Subsidiary as if such income were ECI. Subject to limited exceptions, withholding at the maximum ordinary tax rate is required with respect to the Fund's direct or indirect disposition of a USRPI. However, because the Fund does not expect to invest in any USRPIs either directly or through its investment in any Subsidiary, the USRPI rules described herein are not expected to apply (although no assurance can be provided in this regard).

The balance of this summary assumes that the Fund and Subsidiaries are not treated as engaged in a US trade or business and, therefore, neither the Fund nor any of its Subsidiaries is subject to US federal income tax on its net income.

### ***Taxation of Non-US Investors***

Subject to the discussion below regarding the Foreign Account Tax Compliance Act, or FATCA, non-US Persons generally will not be subject to US federal income taxation on their receipt of distributions from the Fund or upon a sale of Shares.

Special rules may apply in the case of non-US investors that: (i) have an office or fixed place of business in the US to which a distribution or gain in respect of Shares is attributable, (ii) are former citizens or residents of the US, (iii) are controlled non-US corporations of US investors, non-US insurance companies that hold Shares in connection with their US businesses or corporations which accumulate earnings to avoid US federal income tax, or (iv) are non-resident individuals present in the US one hundred eighty-three (183) days or more during a taxable year. Such persons in particular are urged to consult their own US tax advisers before investing in the Fund.

### ***Taxation of US Tax-Exempt Investors***

It is anticipated that some Shares may be acquired by US Tax-Exempt Investors. These Investors may be required to report as taxable income any unrelated business taxable income ("UBTI") that arises as a result of an investment in the Fund. UBTI is defined as the gross income from any trade or business unrelated to the tax-exempt business of the entity less deductions directly connected with that trade or business. Tax-exempt organizations are generally required to compute UBTI separately for each unrelated trade or business, preventing a tax-exempt organization from applying losses from one unrelated trade or business against income derived from another unrelated trade or business.

UBTI generally does not include interest and dividend income, or gain on the sale, exchange or other disposition of assets held for investment. Income from "debt-financed property" (such as gain from the sale

of securities purchased on margin), however, will constitute UBTI to US Tax-Exempt Investors in the percentage that such property is subject to "acquisition indebtedness" (the percentage that the average acquisition indebtedness respecting such property during the year bears to the taxpayer's average adjusted basis for such property for such year). Accordingly, since the Fund intends to be treated as an association taxable as a corporation for US federal income tax purposes, thereby preventing leverage by the Fund or any of its Subsidiaries from being attributed to Investors, an investment in Shares should not give rise to UBTI for a US Tax-Exempt Investor unless the Investor finances its purchase of Shares. Prospective Investors that are US Tax-Exempt Investors therefore are cautioned against financing purchases of Shares, because the acquisition financing of Shares may result in the realization of UBTI.

The Fund may constitute a "passive foreign investment company" ("PFIC") for US federal income tax purposes. Under the Treasury Regulations, a US Tax-Exempt Shareholder will not be considered to be a shareholder in a PFIC, and thus will not be subject to the PFIC tax rules, except to the extent that a "dividend" from the PFIC would be taxable as unrelated debt-financed income (i.e., as a result of the investor acquiring its interest in the Fund with "acquisition indebtedness" as defined in Section 514 of the Code). Therefore, a US Tax-Exempt Shareholder would be subject to tax under the PFIC regime in respect of an excess distribution from, or any gain realised on the sale of the shares of, a PFIC only under limited circumstances.

Different rules may apply to certain types of US tax-exempt entities such as charitable remainder trusts.

### ***Information Reporting and Backup Withholding***

A US Person that owns 10 per cent. or more (taking into account certain attribution rules) of either the combined voting power or the total value of the shares of a non-US corporation such as the Fund (a "10 per cent. US Owner") will be required to file an information return with the US Internal Revenue Service ("IRS") for the year in which such person becomes a 10 per cent. US Owner and for years in which certain changes in stock ownership occur with respect to such person. The information return includes certain disclosure regarding the filing Investor, other Investors and the Fund. The Fund has not committed to provide the information about the Fund or its Investors needed to complete the return.

In addition, US Treasury Regulations require certain information to be reported by any US person who transfers cash to a non-US corporation where either (i) immediately after the transfer such person is a 10 per cent. US Owner, or (ii) the amount of cash transferred by such person and certain related persons during the 12-month period ending on the date of the transfer exceeds US\$100,000. The information required to be reported includes disclosure regarding the transferor and a general description of the transfer and the consideration received. A US Person who fails to report such information to the IRS could be required to pay a penalty equal to 10 per cent. of the gross amount paid for the Shares (subject to a maximum penalty of US\$100,000, except in cases of intentional disregard to such reporting obligation).

Under Code Section 6038D, individuals that are US Persons must file certain information with their annual US federal income tax returns regarding interests they hold in non-US entities or accounts worth more than US\$50,000 at any time during the year. The Code Section 6038D reporting obligation also applies to certain US entities with interests in such non-US entities or accounts; however, such US entities are not currently required to comply with the reporting obligation if the US entity reports the asset on at least one other form specified in the Treasury Regulations to the IRS. Prospective investors are urged to consult their own tax advisors regarding the application of these reporting requirements and potential application of penalties under such rules.

Under certain circumstances, information reporting to the IRS may be required with respect to distributions and sales proceeds derived from the Shares by US Persons other than corporations or other exempt recipients. In addition, a "backup" withholding tax may be imposed on such distributions and sale proceeds if non-exempt US Persons fail to provide certain identifying information (such as the Investor's taxpayer identification number) to the Fund or its paying agent. Non-US Persons may be required to comply with applicable certification procedures in order to establish their exemption from such information reporting requirements and backup withholding tax.

### ***Foreign Account Tax Compliance Act***

US legislation enacted in 2010 (referred to as the Foreign Account Tax Compliance Act, or "FATCA") generally imposes a withholding tax of 30 per cent. on "withholdable payments" made to a "foreign financial institution" unless the foreign financial institution enters into an agreement with the IRS to collect and provide to the IRS on an annual basis substantial information regarding its US account holders (which includes certain equity and debt holders as well as certain account holders that are non-US entities with US owners), the foreign financial institution complies with an applicable intergovernmental agreement between the US and the country of residence of the foreign financial institution (an "IGA") or an exception applies. In addition, the agreement with the IRS and some IGAs may require the foreign financial institution to seek a waiver from its account holders of any law that would prevent disclosure of the relevant information to the IRS or, if such waiver is not obtained, close the relevant account. If a foreign financial institution enters into such an agreement or complies with such an IGA but is unable to obtain the relevant information from its direct and indirect account holders or owners on an annual basis, the foreign financial institution will be required to withhold 30 per cent. of any withholdable payment allocable to such account holders, and there is a risk that the IRS may determine that a foreign financial institution is not in compliance with its agreement or such IGA, resulting in the foreign financial institution becoming subject to the 30 per cent. withholding tax on all of the withholdable payments made to it. The term "withholdable payment" includes any payment of (i) interest or dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits and income (a "FDAP Payment") and (ii) the gross proceeds of a disposition of stock (including a liquidating distribution from a corporation) or debt instruments (a "Proceeds Payment"), in each case with respect to any US investment. However, proposed Treasury Regulations on which taxpayers may rely eliminate the requirement for FATCA withholding on gross proceeds of Proceeds Payments. A "foreign financial institution" is generally any non-US entity that (a) accepts deposits in the ordinary course of business, (b) holds financial assets for the account of others as a substantial portion of its business, or (c) is engaged primarily in the business of investing or trading in securities or partnership interests. The legislation also generally impose a withholding tax of 30 per cent. on withholdable payments made to a non-US entity that is not a foreign financial institution unless such entity provides the withholding agent with certification identifying the substantial US owners of the entity, which generally includes any US Person who directly or indirectly owns more than 10 per cent. of the entity, or an exception applies. Withholding with respect to US source FDAP Payments began on 1 July 2014.

On 28 March 2014, the US and Luxembourg governments concluded an IGA ("Luxembourg IGA") in order to facilitate compliance of Luxembourg financial institutions, such as the Fund, with FATCA and avoid the above-described US withholding tax. The Fund is required to comply with such 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.

Additional IGAs have been entered into or are under discussion between other jurisdictions and the US. Different rules than those described above may apply depending on whether a payee is resident in a jurisdiction that has entered into an IGA to implement FATCA.

In order to avoid incurring withholding tax on withholdable payments, the Fund is required to collect information aiming to identify its direct and indirect investors that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Fund will be reported to the Luxembourg tax authorities, which in turn will report that information to the IRS, in order to comply with the FATCA Law and the Luxembourg IGA.

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 per cent. withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Fund.

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

- a) 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 such Shareholder's FATCA status;
- b) report information concerning a Shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities concerning payments to account holders with the FATCA status of non-participating foreign financial institution; and
- d) 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.

Shareholders will therefore be required to provide, and permit the disclosure of, any tax and other information, certification and documentation that the Fund determines is necessary or advisable for compliance with the FATCA Law, the Luxembourg IGA and Luxembourg implementing legislation. The Fund expects to provide annual information to the Luxembourg tax authorities in respect of US reportable accounts and of non-participating foreign financial institutions.

Additionally, if an investment in the US is made through an alternative investment vehicle organised outside the US, such as a Subsidiary, persons that make a withholdable payment to the alternative investment vehicle generally would be required to impose a withholding tax of 30 per cent. on such payment unless the alternative investment vehicle complies with the applicable requirements discussed above (including obtaining required information from the Fund and the applicable investors that invest through the alternative investment vehicle).

An Investor (or, in the case of an investor that is not the beneficial owner of an interest in the Fund, its ultimate beneficial owner(s)), generally will be able to credit the amount of any withholding tax against its actual US tax liability (if any) and claim a refund of any amount of such withholding tax in excess of its actual US tax liability. However, a beneficial owner of an interest in the Fund that is itself a nonparticipating foreign financial institution will not be able to obtain a refund or credit with respect to amounts properly withheld under these rules except to the extent that the refund or credit relates to the reduced rate of tax pursuant to an

applicable treaty. In either case, to claim a refund or credit, an Investor (or, in the case of an investor that is not a beneficial owner of the interest in the Fund, its ultimate beneficial owner(s)) will be required to (i) file a US tax return establishing that it is entitled to the claimed refund or credit, (ii) obtain a US taxpayer identification number if it does not already have one, and (iii) provide information to the IRS regarding whether it has owners that are US Persons.

The scope and application of this legislation, as well as the FATCA Law and the Luxembourg IGA (and any other IGA), is complicated and subject to continuing interpretation and review, and only limited guidance has been issued by the Luxembourg tax authorities (through administrative circulars) on these issues. The IRS may promulgate rules and additional guidance (which may include additional US Treasury Regulations or new guidance on IGAs, including the Luxembourg IGA) regarding the withholding provisions. Further, the Luxembourg government (or any other government that enters into an IGA) may issue guidance regarding the Luxembourg IGA (or such other IGA). Such rules and guidance may change or supplement the requirements set out above.

**PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE IMPLICATIONS OF THE LEGISLATION ON THEIR INVESTMENT IN THE FUND.**

***Taxation of Non-US Tax-Exempt Investors***

A discussion of the US federal income tax considerations for Investors that are US Persons, other than US Tax-Exempt Investors, is outside the scope of this Prospectus. Such Investors should consult their own tax advisor regarding an investment in the Fund.

**Certain United Kingdom Tax Considerations**

The following summary is based on current law and HM Revenue & Customs ("HMRC") practice, which may change, as at 31 August 2021. This summary does not address all possible UK tax consequences relating to an investment in the Fund or to particular categories of Shareholder some of which may be subject to specific tax rules. The tax treatment of a particular Shareholder in the Fund will depend on the individual circumstances of such Shareholder and may be subject to change.

HMRC has confirmed that a Luxembourg S.A. SICAV should typically be treated as opaque for the purposes of UK tax on income. The Fund intends to use commercially reasonable efforts to operate its business so as to ensure that it does not become resident in the UK for tax purposes and is not itself treated for tax purposes as carrying on a trade through a permanent establishment situated therein (for example, the Investment Manager) and the Fund does not intend to invest directly or indirectly in UK real estate or UK real estate rich assets. On the basis of the foregoing, the Fund should not be subject to UK corporation tax or income tax other than in respect of any tax deducted at source on UK source income. In any event, depending on the circumstances, the terms of an applicable double tax treaty or other exemption may apply to mitigate any such charges or prevent them from arising in practice.

Subject to the foregoing, Shareholders who are not, never have been and do not become resident in the UK should not be subject to UK tax in respect of non-UK source investment income or capital gains arising from their interest in the Fund which arise from the disposal of non-UK assets. However, such Shareholders may be subject to UK tax as regards taxable amounts deriving from certain UK assets including but not limited to UK real estate or UK real estate rich assets.

### 13. ERISA CONSIDERATIONS

The US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to the provisions of Title I of ERISA, on certain entities such as collective investment funds and separately managed accounts whose underlying assets include or are deemed to include the assets of such plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans, for example, are subject to ERISA's general fiduciary duties, including the duties of investment prudence and diversification. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the relevant facts and circumstances of the investment including, but not limited to, the matters discussed above under "Investment Approach" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of Shares. ERISA regulations require that an ERISA Plan fiduciary base its investment decisions on factors that the fiduciary reasonably determines are relevant to a "risk and return analysis, using appropriate investment horizons consistent with the plan's investment objectives and taking into account the funding policy of the plan established pursuant to section 402(b)(1) of ERISA." Such "risk and return factors" may include "the economic effects of climate change and other environmental, social, or governance factors on the particular investment or investment course of action." The regulations do not prohibit an ERISA Plan fiduciary from considering "collateral benefits other than investment returns" if the fiduciary "prudently concludes that competing investments, or competing investment course of action, equally serve the financial interests of the plan over the appropriate time horizon". The responsible fiduciary of each ERISA Plan must determine whether to purchase Shares independently and without relying on any information provided by the Fund, Investment Manager or any affiliates thereof as advice or a recommendation in connection with such determination. ERISA also requires the fiduciary of an ERISA Plan to maintain the indicia of ownership of the ERISA Plan's assets within the jurisdiction of the US district courts.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to non-deductible excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code, and the transaction might have to be rescinded. Each original or subsequent purchaser or transferee of Shares that is or may become an ERISA Plan is responsible for determining the extent, if any, to which its investment will constitute or otherwise result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code and otherwise for determining compliance with ERISA and Section 4975 of the Code in connection therewith.

US federal, state or local governmental plans, non-US plans, and non-electing US church plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to local, state or other federal or non-U.S. laws that are substantially similar to (or wholly different than) the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing Shares.

#### **The Plan Assets Regulation**

##### **Generally**

The US Department of Labor (the "DOL") has promulgated a regulation, 29 C.F.R Section 2510.3-101 (as modified by Section 3(42) of ERISA, the "Plan Assets Regulation"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of ERISA's fiduciary responsibility provisions of Title I of ERISA, and Section 4975 of the Code. Under the Plan Assets Regulation, if a Plan invests in an "equity interest" of an entity (which is defined as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features) that is neither a "publicly offered security" nor a security issued by an investment company registered under the 1940 Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that "benefit plan investors" hold less than 25% of the value of each class of equity interests in the entity (as determined under the Plan Asset Regulation). The Shares would constitute an "equity interest" in the Fund for purposes of the Plan Assets Regulation, and the Shares will not constitute "publicly offered securities" for purposes of the Plan Assets Regulation. In addition, the Fund will not be registered under the Investment Company Act.

### **The 25% Limit**

Under the Plan Assets Regulation, and assuming no other exception applies, an entity's assets would be deemed to include "plan assets" subject to ERISA and/or Section 4975 of the Code on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interests in the entity is held by "benefit plan investors" (the "25% Limit"). For purposes of this determination, the value of equity interests held by a person (other than a benefit plan investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee with respect to such assets (or any affiliate of such a person) is disregarded. The term "benefit plan investor" is defined in the Plan Assets Regulation as (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (b) any plan that is subject to Section 4975 of the Code or (c) any entity whose underlying assets include plan assets by reason of any plan's investment in the entity (to the extent of such plan's investment in the entity). Thus, while the assets of the Fund would not be considered to be "plan assets" for purposes of ERISA so long as the 25% Limit is not exceeded, no assurance can be given that the 25% Limit will not be exceeded at all times. The Fund intends to rely on this aspect of the Plan Assets Regulation. To qualify for the 25% Limit exception, the Investment Manager may limit the investment in the Fund by benefit plan investors, which in certain circumstances could have the result that (i) transfers of Shares would be limited or (ii) the Shares of some investors would be subject to mandatory redemption.

Accordingly, the Investment Manager believes, on the basis of the Plan Assets Regulation, that the underlying assets of the Fund should not constitute "plan assets" for purposes of ERISA. However, no assurance can be given that this will be the case.

If the Fund's assets are deemed to include "plan assets" under ERISA or Section 4975 of the Code, certain of the transactions in which the Fund might normally engage could constitute a non-exempt "prohibited transaction" under ERISA or Section 4975 of the Code. In such circumstances, the Investment Manager, in its sole discretion, may void or undo any such prohibited transaction, and may require each Investor that is a "benefit plan investor" to withdraw from the Fund upon terms that the Investment Manager considers appropriate. In addition, if the Fund's assets are deemed to include "plan assets", the Investment Manager or any other person exercising authority or control over the management or disposition of the Fund's assets would be deemed a fiduciary with respect to "benefit plan investors" (as defined under the Plan Assets Regulation) that are ERISA Plans subject to the fiduciary duties described in Title I of ERISA, including, without limitation, the requirements of Section 404(b) of ERISA (requiring that the indicia of ownership of plan assets generally

be held within the jurisdiction of the US courts), which could severely restrict the investment strategy of the Fund.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA or Section 4975 of the Code may result in the imposition of liability for damages, civil, and, in certain instances, criminal penalties and may subject the fiduciary to equitable remedies. In addition, if an investment in the Fund constitutes a non-exempt prohibited transaction under the Code, any “disqualified person” within the meaning of Section 4975 of the Code involved in the investment (excluding fiduciaries acting only in their fiduciary capacities) may be subject to the imposition of punitive excise taxes with respect to the amount involved. A fiduciary of an ERISA Plan or other plan that proposes to cause such entity to purchase Shares should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to independently confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of ERISA.

The sale of Shares to a Plan is in no respect a representation by the Fund, the Investment Manager or any other person associated with the offering of Shares that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

None of the Fund or the Investment Manager (or any agent or affiliate thereof) is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the offering or purchase of Shares, and no information provided by the foregoing in connection with such offering or purchase shall be viewed or relied upon as advice or a recommendation to invest in the Fund. The Investment Manager has financial interests associated with the purchase of Shares, including the fees and other allocations and distributions it may receive from the Fund as a result of the purchase of Shares by a Plan.

## **Form 5500**

Plan administrators of ERISA Plans that acquire Shares may be required to report compensation, including indirect compensation, paid in connection with the ERISA Plan’s investment in the Fund on Schedule C of Form 5500 (Annual Return/Report of Employee Benefit Plan). The descriptions in this Prospectus of fees and compensation, including the fees paid to the Investment Manager, are intended to satisfy the disclosure requirement, if any, for “eligible indirect compensation”, for which an alternative reporting procedure on Schedule C of Form 5500 may be available.



## **14. GENERAL INFORMATION**

### **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 will be available to Shareholders within six months from the end of the period to which they relate.

The annual report is prepared on the basis of Luxembourg generally accepted accounting principles (Lux GAAP).

Copies of the latest annual report will be sent free of charge on request.

### **Meetings of Shareholders**

The annual general meeting of Shareholders of the Fund will be held in accordance with Luxembourg law at the registered office of the Fund in Luxembourg or at any other place as specified in the notice of meeting, but no later than within 6 months from the end of the previous financial year.

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 by registered mail to Shareholders or by any alternative means of communication permitted by applicable law (being email, fax, ordinary letter, courier services or any other means satisfying the conditions provided for by law) having been accepted by such Shareholder, at least 8 days prior to the meeting, to their addresses or, for those Shareholders having accepted email as an alternative means of form of notice, their email address, as in the register of Shareholders.

Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only.

### **Additional Information for Investors**

The Net Asset Value, the historical performance, the subscription price and the Redemption Price for the Shares will be available for Investors at any time during business hours at the Fund's and the AIFM's registered office.

The Fund's complete portfolio holdings, including the holdings of any Sub-Fund, will in principle be made available to prospective Investors on a monthly, one-month delayed basis.

In respect of the Climate Transition Buy and Maintain Plus 2025-2029 Fund and the Climate Transition Buy and Maintain Plus 2030-2034 Fund, the long position portfolio holdings and long underlying positions (if applicable) information of each such Sub-Fund will generally be made available on the 15<sup>th</sup> day following the end of a month but may be provided as of any date, provided the requested date is prior to the most recently released public month-end data. The top ten long position holdings and top ten long underlying positions (if applicable) information of each of the Climate Transition Buy and Maintain Plus 2025-2029 Fund and the Climate Transition Buy and Maintain Plus 2030-2034 Fund will generally be made available on the 5<sup>th</sup> day following the end of a month.

Each of the Climate Transition Buy and Maintain Plus 2025-2029 Fund and the Climate Transition Buy and Maintain Plus 2030-2034 Fund will publicly disclose its short exposure portfolio holdings and short underlying positions (if applicable) information quarterly as of each 31 March, 30 June, 30 September and 31 December, on a 15-calendar day delayed basis.

The Fund's complete portfolio holdings may be provided with a shorter time delay to existing Shareholders who request such information, with such time delay and/or other requirements being set by the Directors from time to time in the interest of the Fund and the Shareholders. Where such information relates to the Climate Transition Buy and Maintain Plus 2025-2029 Fund or the Climate Transition Buy and Maintain Plus 2030-2034 Fund, each recipient will be required to accept and execute a non-disclosure or similar agreement pursuant to which the recipient shall agree, among other things, to keep the information confidential, and not trade in portfolio holdings, underlying positions or Shares on the basis of the non-public information. Additionally, each Sub-Fund's complete portfolio holdings as of the Fund's fiscal year end shall be set forth in the Fund's annual reports. The Investment Manager may produce management commentaries that include analytical, statistical, performance or other information relating to a Sub-Fund, which may be provided to members of the press, Shareholders, potential Shareholders or their representatives. These commentaries may contain information related to portfolio holdings, but only in accordance with the policies set forth above.

As required by the AIFM Law, and to the extent only that such requirements are applicable, the Shareholders will be informed, by means of disclosure in the annual report of the Fund or, if the materiality so justifies, by means of a notification, of (i) the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature, (ii) any new arrangements for managing the liquidity of the Fund, (iii) the total amount of leverage which the Fund has employed and (iv) any right of the reuse of collateral or any guarantee granted under any leveraging arrangement.

The Fund will also make available upon request at its registered office all information to be provided to investors under the AIFM Law, including: (i) all relevant information regarding conflicts of interest (such as the description of any conflict of interest that may arise from any delegation of the functions listed in Appendix I of the AIFM Law or of any conflicts that must be communicated to investors under Articles 13.1 and 13.2 of the AIFM Law), (ii) the list of the Sub-Custodians used by the Depositary and (iii) the maximum amount of the fees that may be paid annually by the Fund.

## **Liquidation of the Fund – Liquidation or Amalgamation of Sub-Funds**

### ***Liquidation of the Fund***

The Fund has been established for an unlimited period. However, the Fund may, at any time, be liquidated by a resolution of the general meeting of Shareholders taken in the same conditions that are required by law to amend the Articles. The Board may propose at any time to the Shareholders to liquidate the Fund.

Any decision to liquidate the Fund will be published in the RESA.

As soon as the decision to liquidate the Fund is taken, the issue, redemption or conversion of Shares in all Sub-Funds is prohibited and shall be deemed void.

The liquidation of the Fund will be conducted by one or more liquidators, who may be individuals or legal entities and who will be appointed by a meeting of Shareholders. This meeting will determine their powers and compensation.

Any liquidation of the Fund shall be carried out in accordance with applicable Luxembourg law. Luxembourg law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides upon finalisation of the liquidation that the assets be deposited in escrow with the *Caisse de Consignation* to be held for the benefit of the relevant Shareholders. Amounts not claimed from escrow within the relevant prescription period of normally thirty (30) years will be liable to be forfeited in accordance with the provisions of Luxembourg law.

### ***Liquidation or Amalgamation of Sub-Funds***

The Sub-Funds may be established for a limited or unlimited period, as specified in the relevant Sub-Fund Appendix.

If the net assets of any Sub-Fund or Class fall below or do not reach an amount determined by the Board 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 or political situation relating to the Sub-Fund or Class concerned justifies it, the Board 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 determined as at the Valuation Date at which such a decision shall become effective. Unless the Board decides otherwise in the interest of, or in order to ensure equal treatment of, the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charges (but taking into account actual realisation prices of investments and realisation expenses).

Notwithstanding the powers conferred to the Board by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund or Class may, upon proposal from the Board and with its approval, 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) determined as at the Valuation Date 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 those present or represented.

Upon the circumstances provided above, the Board may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another UCI, or to another sub-fund within such other UCI (the "new Sub-Fund") and to re-designate the Shares of the Sub-Fund concerned as Shares of the new Sub-Fund (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), 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 UCI of the contractual type (*fonds commun de placement*) or a foreign-based UCI, such decision shall be binding only on the Shareholders who are in favour of such amalgamation.

Notwithstanding the powers conferred to the Board by the preceding paragraph, a contribution of the assets and liabilities attributable to any Sub-Fund to another Sub-Fund of the Fund or to another UCI (or to a sub-fund within such other UCI) may be decided upon by a general meeting of the Shareholders, upon proposal from the Board and with its approval, of the contributing Sub-Fund for which there shall be no quorum requirements and which shall decide upon such an amalgamation by resolution adopted by simple majority of those present or represented, 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 who have voted in favour of such amalgamation.

### **Potential Conflicts of Interest**

The AIFM, Investment Manager, Depositary, Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Paying Agent, Registrar and Transfer Agent and their respective delegates, affiliates, directors, officers, and shareholders are, or may be involved in other financial, investment, and professional activities which may cause a conflict of interest with the management and administration of the Fund.

Each of the above-mentioned entities will respectively ensure that the performance of its respective duties towards the Fund and its Sub-Funds will not be impaired by any such involvement that each of the above-mentioned entities might have. If a conflict of interest does arise, the AIFM and the relevant person(s) shall endeavour to ensure that the conflict is resolved fairly, within a reasonable time and in the interest of the Shareholders of the Fund, and endeavour to ensure that Shareholders' interests are safeguarded.

No contract or other transaction between the Fund and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Fund is interested in, or is a director, associate, officer, or employee of, such other company or firm. Any Director or officer of the Fund who serves as a director, officer or employee of any company or firm with which the Fund shall contract or otherwise engage in business shall not by reason of such affiliation with such other company or firm be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

If any Director or officer of the Fund has an interest different to the interests of the Fund in any transaction of the Fund, such Director or officer shall make known to the Fund such conflict of interest and shall not consider or vote on any such transaction, and such transaction and such Director's or officer's interest therein shall be reported by the Fund to the next Shareholders meeting.

The AIFM is responsible for the valuation of the assets of the Fund. This may give rise to a potential conflict of interest as the Investment Management Fee payable to the AIFM is linked to the Net Asset Value of the Fund. The AIFM has a valuation policy and procedures in place to mitigate any potential conflicts of interests. These include using third party investment valuation sources, and ensuring that the valuation process is independent of the portfolio managers involved in managing the portfolio.

### **Fair Treatment of Shareholders**

Shareholders' rights are described in this Prospectus, the Articles and the Application Form. The AIFM has established procedures, arrangements and policies to ensure compliance with the principles of fair treatment of Shareholders. The principles of treating shareholders fairly include, but are not limited to:

- a) Acting in the best interests of the Fund and of the Shareholders;
- b) Executing the investment decisions taken for the account of the relevant Sub-Fund in accordance with the objectives, the investment policy and the risk profile of the relevant Sub-Fund;
- c) Taking all reasonable measures to ensure that orders are executed to obtain the best possible result;

- d) Ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders;
- e) Ensuring that fair, correct and transparent pricing models and valuation systems are used for the Fund;
- f) Preventing undue costs being charged to the Fund and Shareholders;
- g) Taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders; and
- h) Recognising and dealing with complaints fairly.

Notwithstanding the foregoing paragraph, it cannot be excluded that a Shareholder be given a preferential treatment in the meaning of, and to the widest extent allowed by, the AIFM Law. Whenever a Shareholder obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of Shareholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the AIFM will be made available at the registered office of the AIFM within the limits required by the AIFM Law.

The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

### **Documentation**

A copy of the Articles, the Prospectus and the last published annual financial report may be obtained without cost on request by any Investor.

Copies of the material agreements mentioned in this Prospectus may be inspected during usual business hours on any Business Day at the office of the AIFM.

### **Applicable Law and Jurisdiction**

The Fund is governed by the laws of the Grand Duchy of Luxembourg.

By entering into an Application Form, the relevant Shareholder will enter into a contractual relationship governed by the Application Form, the Articles, the Prospectus and applicable laws and regulations.

The Application Form 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 manner.

According to Regulation (EU) 1215/2012 of 12 December 2012 of the European Parliament and of the Council on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, a judgment given in an EU Member State shall, if enforceable in that EU Member State, in principle (a few exceptions are provided for in Regulation (EU) 1215/2012) be recognised in the other EU Member State without any special procedure being required and shall be enforceable in the other EU Member States without any declaration of enforceability being required.

## APPENDIX I – European Loans Fund

**Information contained in this Appendix should be read in conjunction with the full text of the Prospectus. The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the European Loans Fund.**

Capitalised terms used in this Appendix will have the meanings given them in the Prospectus. In addition, the following definitions will have the following meanings:

<b>"Asset Holding Vehicle"</b>	European Loans S.à r.l., a <i>société à responsabilité limitée</i> (private limited liability company) subject to the Luxembourg Law of 22 March 2004 on securitisation, as amended, and a 100 per cent. owned subsidiary of the European Loans Fund, incorporated under the laws of Luxembourg, having its registered office at 80, Route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 207.027. The Asset Holding Vehicle was formed by the European Loans Fund to serve as an investment vehicle for the European Loans Fund. The Asset Holding Vehicle does not qualify as an AIF within the meaning of the AIFM Law. The European Loans Fund will invest in notes (the "Notes") issued by the Asset Holding Vehicle and the Notes will provide the European Loans Fund with the net economic returns generated by the underlying asset pool of the Asset Holding Vehicle.
<b>"Dealing Date"</b>	each Valuation Date on which a Shareholder may subscribe, redeem or convert shares as further detailed herein.
<b>"Debt Obligations"</b>	Senior Secured Obligations and/or Subordinated Secured Obligations and/or Senior Unsecured Obligations.
<b>"Dividend Valuation Date"</b>	the last Valuation Date falling in January and July of each year in relation to all Classes of Shares.
<b>"Senior Unsecured Obligations"</b>	an unsecured obligation, debt instrument or participation which is senior in terms of repayment to subordinated unsecured debt obligations (if any) of an obligor or obligor group; which, for the avoidance of doubt, will not include either Senior Unsecured Obligations that are also Cash and Cash Equivalents or deposits with any credit institution that has a class of securities rated at least AA- by Fitch or Standard & Poor's or Aa3 by Moody's at the time of purchase.
<b>"Senior Secured Obligations"</b>	an obligation, debt instrument or participation which is senior in terms of priority or repayment to other debt obligations (if any) of an obligor or obligor group and has a first charge or other first ranking security interest over assets of the obligor or within the obligor group.

**"Subordinated Secured**

<b>Obligations"</b>	an obligation, debt instrument or participation which is subordinated in terms of priority of repayment behind other debt obligations of an obligor or obligor group and has a charge or other security interest (ordinarily second-ranking) over assets of the obligor or within the obligor group.
<b>"Valuation Date"</b>	each Business Day.

## 1. Investment Objective, Policies and Strategies

The investment objective of the European Loans Fund is to provide investors with periodic returns from an actively managed portfolio consisting predominately of European Debt Obligations and primarily Senior Secured Obligations. The European Loans Fund will make the Investments further detailed herein based on their characteristics that demonstrate their capacity to provide the liquidity required in order to be able to make any payments due by the European Loans Fund. Typically, Investments are selected where the Investment Manager considers that such obligations or other instruments offer superior yields and relative credit stability. There is no assurance that the European Loans Fund will achieve its investment objective or that Investors will not lose money.

The European Loans Fund manages the Investments so as to monitor individual obligor, country risk, maturity and asset type categorisation within the category of Debt Obligations generally in order to avoid excessive concentrations of risk to protect against any significant effects from underperformance by any single Investment. In addition, the European Loans Fund seeks to ensure that a substantial proportion of Market Risk from such Investments is hedged, primarily through the swap market.

The European Loans Fund intends to acquire Debt Obligations and primarily Senior Secured Obligations of predominately European origin and credit risk.

The European Loans Fund may also purchase Subordinated Secured Obligations and Senior Unsecured Obligations, subject to the restrictions in section 2 below. Substantially all of these Debt Obligations are expected to be in the form of loans bearing a floating rate of interest, and many of the Debt Obligations can be expected to have been raised in connection with European leveraged buy-outs that will typically have been initiated by one or more private equity houses. The European Loans Fund typically intends to acquire interests in such Debt Obligations directly (by way of purchase, or novation, or assignment) but the European Loans Fund may also acquire or hold those interests indirectly (by way of a participation or sub-participation). None of the Debt Obligations shall be originated by the Asset Holding Vehicle.

The European Loans Fund may hold Cash and Cash Equivalents, for example, pending suitable investment opportunities to buy Debt Obligations of the type described above.

The European Loans Fund is able to enter into (i) interest rate swaps (e.g., fixed to floating rate obligations), (ii) currency swaps (e.g., non-Euro obligations such as sterling and dollar currencies) and (iii) credit default swaps to hedge or reduce tail risk and to protect the portfolio from systemic market shocks. Short positions in credit default swaps may also be held for investment purposes.

For the avoidance of doubt, the European Loans Fund may also hold small amounts of equity or similar securities. Such securities would not be expected to exceed 5 per cent of the NAV at the time of purchase.

## Characteristics of Investments

There are, in summary and subject as provided under section 2 (*Investment Restrictions*) of this Appendix, three types of Debt Obligations in which the European Loans Fund will invest: (i) Senior Secured Obligations; (ii) Senior Unsecured Obligations and (iii) Subordinated Secured Obligations.

Senior Secured Obligations are either loans or high yield bonds. Loans will usually bear a floating rate and high yield bonds a floating or fixed rate of interest and may be denominated in any currency. The holders of such Senior Secured Obligations will have first claim on the assets of the borrower group. Substantially all investments in the European Loans Fund are expected to be in financial instruments that are rated below Investment Grade by Fitch, Moody's and S&P.

Subordinated Secured Obligations, including "second lien" and mezzanine obligations, are often incurred together with Senior Secured Obligations in order to maximise leverage of the obligor. Subordinated Secured Obligations are generally subordinated in terms of repayment priority and security behind Senior Secured Obligations, and therefore have a higher risk profile than Senior Secured Obligations. Subordinated Secured Obligations generally take the form of medium term obligations repayable shortly after Senior Secured Obligations of the same obligor group. Therefore, they will carry a higher rate of interest to reflect the greater risk of not being repaid. Subordinated Secured Obligations are typically in loan format and also bear interest on a floating rate basis, some of which may be rolled up or "payment in kind" (PIK) interest.

Senior Unsecured Obligations are not secured and, although ordinarily there is no substantial secured debt in the capital structure and therefore the European Loans Fund is likely to have a first claim on many of the assets of such an obligor, these claims rank alongside all other unsecured creditors. There is no standard maturity profile for this type of obligation and Senior Unsecured Obligations are usually incurred by obligors that are Investment Grade at the time the obligation is taken on. Senior Unsecured Obligations are often loans which bear interest on a floating rate basis.

In order to induce investors to invest in Debt Obligations in the form of loans at a favourable interest rate, obligors often provide investors with extensive information about their businesses, which is not generally available to the public. In addition, since many Debt Obligations are loans they may typically be repaid at any time on short notice at par.

The European Loans Fund is subject to the "Investment Restrictions" set out in section 2 (*Investment Restrictions*) of this Appendix, but is not otherwise constrained, in its investment in Debt Obligations, by the legal nature of the assets (including the governing law), the expiry or maturity date(s) of the obligations, the amount of the assets, "loan-to-value" or other collateralisation levels, the method of origination or any level of representations or collateral given by the obligors in which the European Loans Fund may invest.

## Risk Profile

In light of the European Loans Fund's investment strategy, the European Loans Fund may be appropriate for Investors who:

- Seek to receive periodic income and / or capital appreciation;
- Wish to invest in a portfolio of mainly sub-investment grade assets of diverse geographical and industrial origination.



There is the risk that a strategy used to manage the portfolio may fail to produce its intended result. The European Loans Fund is designed for long-term Investors.

## **Certain Investment Risks**

### ***Credit Risks Associated with Debt Obligations***

All Debt Obligations are subject to the risk of default. Default in the payment of interest or principal on a Debt Obligation results in a reduction of income, a reduction in the value of the Debt Obligation and a potential decrease in the value of the Investments.

Debt Obligations which are loans generally provide for restrictive covenants designed to limit the activities of the obligors thereunder in an effort to protect the rights of lenders to receive timely payments of interest on and repayment of the principal of such Debt Obligations. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) under such a Debt Obligation which is not waived by the lending syndicate is normally an event of default which allows the syndicate to demand immediate repayment in full of the outstanding Debt Obligation.

Debt Obligations may be subject to various laws enacted for the protection of creditors in the jurisdictions of incorporation of the obligors thereunder and, if different, the jurisdictions from which the obligors conduct their business and in which they hold their assets, which may adversely affect such obligor's abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each obligor or its assets are located and may differ depending on the legal status of the obligor. In particular, it should be noted that a number of continental European jurisdictions operate "debtor-friendly" insolvency regimes which would result in delays in payments under Debt Obligations where obligors thereunder are subject to such regimes, in the event of their insolvency.

An investment in a second lien obligation or a Subordinated Secured Obligation will ordinarily be subject to the risks above enhanced by their relative junior position in the capital structure. Where second lien obligations and Subordinated Secured Obligations are in the same capital structure as Senior Secured Obligations, the risk of loss due to default of an obligor is accordingly greater for the holders of second lien obligations and Subordinated Secured Obligations.

Senior Unsecured Obligations will ordinarily be subject to the same risks as those described above enhanced by their lack of security over the assets of the obligor and/or obligor group. The unsecured nature of the claim will, in circumstances of the insolvency and liquidation of the relevant obligor, mean that the entitlement of the European Loans Fund to have its claim satisfied out of assets and revenues of the obligor will be subordinated to the claims of any secured creditor to the extent of the security over the assets and revenues of the obligor, and rank alongside all other unsecured creditors. In addition, the European Loans Fund may incur additional expenses to the extent that it is required to seek recovery upon a default on a Senior Unsecured Obligation or participate in the restructuring of such obligation.

Debt Obligations may become non-performing for a variety of reasons and may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan, the deferral of payments and/or further borrowings by the underlying obligor. In addition, additional expenses may be incurred to the extent it is necessary to seek recovery upon a default on a Debt Obligation or participate in the restructuring of such obligation. Debt

Obligations are often syndicated facilities and there is no assurance that the European Loans Fund will hold an interest in such a Debt Obligation that is sufficient to control creditor decisions.

In addition, the Investment Manager, which is responsible for managing the European Loans Fund's Investments, may be required from time to time to resolve conflicts of interest that occur as a result of the European Loans Fund (or another investment vehicle for which the Investment Manager acts) holding Debt Obligations at different levels of priority in an obligor or an obligor group's financial structure. This conflict of interest is likely to be magnified in a workout situation and, while the European Loans Fund will seek to ensure that such conflicts of interest are fairly resolved, there can be no assurance that such a conflict of interest will not exist and/or cause material prejudice to the European Loans Fund's ability to make appropriate returns on the Shares.

The risk of loss due to default of an obligor is also greater for the holders of subordinated Debt Obligations. Unsecured Debt Obligations may ordinarily be subject to the same risks as those described above enhanced by their lack of security over the assets of the obligor and/or obligor group.

Should increases in default rates occur with respect to the types of Debt Obligation in which the European Loans Fund invests, the actual default rates of the Debt Obligations in the portfolio may exceed the hypothetical default rates assumed by investors in determining whether to purchase any of the Shares.

#### ***Participations in respect of Debt Obligations***

The European Loans Fund may acquire interests in debt obligations indirectly by way of Participation. In purchasing Participations, the European Loans Fund generally will have no right to enforce compliance by the obligor with the terms of the applicable debt agreement and the European Loans Fund may not directly benefit from the collateral supporting the debt obligation in respect of which it has purchased a Participation. As a result, the European Loans Fund could assume the credit risk of both the obligor and the institution selling the Participation.

#### ***Distressed and Defaulted Obligations***

It may be difficult to obtain information as to the true condition of obligors in respect of distressed and defaulted obligations. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterise debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. There is no assurance that the value of the assets collateralising the European Loans Fund's Investments will be sufficient or that prospects for a successful reorganisation or similar action will become available. In any reorganisation or liquidation proceeding relating to a company in which the Sub-Fund invests, the Sub-Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the European Loans Fund's Investments may not compensate the Shareholders adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

## ***Liquidity Risk***

Credit markets may from time to time become less liquid, leading to valuation losses on Investments as market makers defensively price assets to avoid balance sheet or risk exposures. Liquidation of portions of the Investments under these circumstances could produce realised losses.

Investments which are below Investment Grade are likely to be significantly less liquid than Investment Grade securities and in some circumstances the Investments may be difficult to value and to sell in the relevant market. In addition, Investments which are in the form of loans are not as easily purchased or sold as publicly traded securities due to the confidential information involved, the unique and more customised nature of the debt agreement and the private syndication process. The unique and sometimes confidential nature of certain aspects of the documentation also creates a degree of complexity in negotiating a secondary market purchase or sale which does not exist in, for example, the public debt securities market.

The prices of Investments such as those contemplated have at times experienced significant and rapid decline when a substantial number of holders decided to sell. In addition, the European Loans Fund may have difficulty disposing of certain Investments because there may be a thin trading market for such obligations. Reduced secondary market liquidity may have an adverse impact on market price and the Sub-Fund's ability to dispose of particular Investments when necessary to meet the European Loans Fund's liquidity needs or in response to a specific economic event such as a deterioration in the creditworthiness of the obligor under such obligations. Reduced secondary market liquidity for certain loan obligations also may make it more difficult for the European Loans Fund to obtain accurate market quotations for purposes of valuing the European Loans Fund's portfolio. Market quotations are generally available on many loans only from a limited number of dealers and may not necessarily represent firm bids of such dealers or prices for actual sales.

## ***Leverage Risk***

A limited amount of borrowing for efficient portfolio management reasons is permitted under the European Loans Fund's investment restrictions. Leverage may be used in the short term against sales (in particular loan sales) which have been transacted but where settlement proceeds have not been received, and if trading counterparties fail to settle, any leverage incurred as described above may not be repaid immediately. The European Loans Fund will deal with multiple trading counterparties and is not subject to a limit on exposure to any single counterparty. Under normal market conditions, however, the European Loans Fund does not expect to use "return enhancing leverage" (borrowing cash to make additional investments above total net assets) for investment purposes. Finally the European Loans Fund also expects to use derivative instruments, including, but not limited to, futures, swaps, forwards and options for hedging purposes which may be considered to be "implied leverage" (and is not subject to the formal leverage restriction in the European Loans Fund's investment restrictions). (See also "*Risks Associated with Derivative Instruments*" under the "Risk Factors" heading in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus.)

While leverage presents opportunities for improving the European Loans Fund's total return, it has the effect of potentially increasing losses as well. For example, any failure on the part of a trading counterparty against whose payment borrowing has been incurred would likely result in increased interest charges and a leveraged position for the European Loans Fund. The use of leverage by the European Loans Fund could magnify any losses and have a negative effect on the value of the Shares.

## ***Market Risk***

The Market Risk from certain Investments may be hedged, primarily through the swap market. In addition, where Market Risk is hedged some residual risk may remain as a result of imperfections and inconsistencies in the market caused by, for example, timing differences between the purchase/sale of a Debt Obligation and the implementation/unwinding of any relevant market hedge. In particular, Investments which are in the form of loans may typically be repaid at any time on short notice at par, and accordingly the hedging of Market Risk in such circumstances may be less precise than is the case with investments in the public securities market.

Furthermore, default by any hedging counterparty in the performance of its obligations could subject the Investments to unwanted credit risks and Market Risk. Failure to properly hedge the Market Risk in the Investments and/or default of a counterparty in the performance of its obligations may result in negative effects on the value of the Shares.

### ***Operational Risk***

Operational risks exist in the management of the Investments. It is the European Loans Fund's intention that operational risk in connection with payments be minimised and to that end the Investment Manager is not authorised to hold any money for or make any payment on behalf of the European Loans Fund. Payments made by (or to) the European Loans Fund will be made on its behalf by (or to) the Depositary or pursuant to its instructions. Payments in respect of swaps and other derivatives will be made only to counterparties that meet certain rating or other criteria. (See also "*Risks Associated with Derivative Instruments*" under the "Risk Factors" heading in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus). All other payments (such as fees described in the section entitled "FEES AND EXPENSES" of the Prospectus) will only be executed by or on the instructions of the Fund.

### ***Sub-Investment Grade Risk***

The European Loans Fund's investment strategy will principally consist of investing in sub-Investment Grade Debt Obligations. Third party rating agencies, such as Moody's and Standard & Poor's, aim to rank the credit worthiness of companies using a standardised ratings scale to provide investors with an independent view on how likely a company is to default on its debt repayments. Investment Grade obligors are rated Aaa to Baa3 by Moody's and AAA to BBB- by Standard & Poor's. A sub-Investment Grade rating reflects, in the opinion of the ratings agencies, the riskier credit profile of a company compared to an Investment Grade obligor. Debt Obligations in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated Debt Obligations and are generally considered to be predominately speculative with respect to the obligor's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than Debt Obligations with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated Debt Obligations, the yields and prices of such securities may tend to fluctuate more than those of higher-rated Debt Obligations. The market for lower-rated Debt Obligations is thinner and less active than that for higher-rated Debt Obligations, which can adversely affect the prices at which these Debt Obligations can be sold. In addition, adverse publicity and investor perceptions about lower-rated Debt Obligations, whether or not based on fundamental analysis, may contribute to a decrease in the value and liquidity of such lower-rated Debt Obligations.

### ***Concentration Risk***

As set out in section 2 (*Investment Restrictions*) of this Appendix below there is a limit of 4 per cent. of the NAV which the European Loans Fund may invest in one obligor. There are also industry and country concentration limits managed by the Investment Manager and no significant concentration with respect to any

particular industry or country is expected to exist; however, the concentration of the Investments in any one industry or region could subject Investments to a greater degree of risk with respect to economic downturns relating to such industry or region.

The European Loans Fund also anticipates that the portfolio of securitised risks will be directly or indirectly well diversified; however in the event of a material demand for redemptions, it could be forced to sell liquid positions resulting in an overweighting in a small number of illiquid investments. In such circumstances, the aggregate return on Investments may be substantially and adversely affected by the unfavourable performance of a single Investment.

### ***Litigation Risk***

The European Loans Fund may participate in restructuring activities relating to its holdings of the Investments and accordingly become involved in litigation. The decision whether to become involved in litigation or not will be at the discretion of the Investment Manager on behalf of and subject to the oversight of the European Loans Fund. Any government, legal or arbitration proceedings arising from such litigation may have a significant adverse impact on the European Loans Fund's financial position if, for example, the European Loans Fund has to bear the cost of any litigation. Investors should also note that the likely complexity and duration of any legal proceeding would necessitate the substantial involvement of the Investment Manager and may therefore impair their ability to manage the Investments.

### ***Availability of Suitable Investment Opportunities***

Investors should note that the European Loans Fund's ability to continue to source suitable Investments is dependent on the continued issuance of such Investments (which may in turn be dependent on prevailing tax, regulatory, legal and market conditions for financial institutions) and the European Loans Fund will compete with other potential investors to acquire interests in appropriate Debt Obligations. As a result, there can be no assurance that the European Loans Fund will be able to locate and acquire such Debt Obligations which satisfy its rate of return objectives or realise upon their values or that it will be able to invest fully its committed capital.

### ***General Risk Factors***

Please refer to "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus for general risk factors which also apply to the European Loans Fund.

## **2. Investment Restrictions**

Subject to the general investment restrictions laid down in the section of the Prospectus entitled "INVESTMENT RESTRICTIONS AND RISK MANAGEMENT", the Investment Manager is also subject to the following restrictions in relation to the investment of the proceeds of the issue of the Shares by the European Loans Fund.

The European Loans Fund is required to limit its Investments as follows, at the time of purchase:

- (a) Not more than 15 per cent. of the NAV of the European Loans Fund may be invested in aggregate in
  - (i) Subordinated Secured Obligations and
  - (ii) Senior Unsecured Obligations.

- (b) Save as set out in paragraph (c) below, the European Loans Fund may not invest more than 4 per cent. of its NAV in any one obligor.
- (c) The European Loans Fund will not be restricted in respect of its acquisition of Cash and Cash Equivalents provided that no more than 10 per cent. of the European Loans Fund's NAV may be invested in Cash and Cash Equivalents of any one obligor.
- (d) The European Loans Fund may utilise an overdraft facility for efficient portfolio management reasons. Such overdraft facility may be used to borrow in the short term against sales (in particular loan sales) which have been transacted but where settlement proceeds have not been received and is not expected to exceed 10 per cent. (but may be utilised to a maximum of 30 per cent.) of the European Loans Fund's NAV.
- (e) The overall expected leverage, primarily obtained through the use of derivatives and borrowings, may not exceed 150 per cent. of the Sub-Fund's Net Asset Value based on the commitment method and 205 per cent. based on the gross method.
- (f) The European Loans Fund may use interest rate and foreign exchange instruments for hedging purposes.
- (g) The European Loans Fund will not invest more than 15 per cent. of the Sub-Fund's Net Asset Value in credit default swaps. For the avoidance of doubt, such limit shall not apply to the use of credit default swaps for hedging purposes.

The European Loans Fund may impose further limitations within the parameters of the investment restrictions set out above including, without limitation, with respect to risk concentration including exposures to industries and countries.

The investment restrictions shall apply with respect to any new investment, at the time any such new investment is acquired. If at any point after such acquisition, the relevant investment exceeds any of the above limits as a result of market movements, changes in the portfolio composition, or otherwise, the Investment Manager will be required to remedy the situation, taking into account the interests of the Shareholders. In addition, any requirement to have a particular percentage invested in a specific type or range of investments will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Shares.

### **3. European Loans Fund Holding Structure**

The European Loans Fund set up the Asset Holding Vehicle and subscribed for all Notes issued by this vehicle. Substantially all of the assets of the European Loans Fund are held and invested by the Asset Holding Vehicle.

The Asset Holding Vehicle currently does not intend to issue Notes to regulated or unregulated fund vehicles other than to the European Loans Fund. Should the Asset Holding Vehicle resolve to issue Notes to other regulated or unregulated fund vehicles this Prospectus will be updated accordingly.

### **4. Reference currency**

The reference currency of the European Loans Fund is the Euro.

## **5. Classes of Shares**

A number of Classes of Shares have been created in the European Loans Fund to enable investors with different investment needs to access the same underlying investment portfolio the details of which are set out in the Prospectus. A complete list of available Classes may be obtained at the registered office of the Fund and of the AIFM and will be sent to Investors upon request.

Shares are denominated and, if applicable, pay a dividend in the currency of denomination of the relevant Class, all as further explained under section 8 (*Dividend Policy*) of this Appendix.

Non-Euro Classes of Shares may be offered as hedged or unhedged Share Classes. Where hedging strategies are, they aim to mitigate currency risk between the reference currency of the European Loans Fund and the currency of denomination of the hedged Share Class. There can be no assurance that full hedging can be achieved in all circumstances.

To enable investors with different investment needs to access the same underlying investment portfolio, further Classes of Shares may be created.

## **6. Initial Offering Period**

Classes of Shares are initially issued following an initial offering period, if any, at their initial issue price.

Subsequent subscription for Shares can be made on any Dealing Date and the subscription price for such Shares will be based on the current Net Asset Value per Share as at the relevant Valuation Date (all as further explained under section 9 (*Subscription and Clearing Time Limit*) of this Appendix).

## **7. Minimum Investment and Minimum Holding Requirement**

The minimum amount of any initial investment and holding requirement in the European Loans Fund is set out under the heading "Classes of Shares" in the section "SHARES".

## **8. Dividend Policy**

### *Accumulating Classes*

It is the European Loans Fund's policy not to pay any dividends to Shareholders of Accumulating Classes. Any returns associated with such Classes are reinvested in the relevant Class and the Net Asset Value per Share of these Accumulating Classes will reflect any net investment income or capital gains.

### *Distributing Classes*

It is the European Loans Fund's policy to pay Shareholders of Distributing Classes their proportionate entitlement to the net income or to the gross income of the European Loans Fund semi-annually. Notwithstanding the above the Board are empowered to pay additional distributions where the Board believe this would be in the interests of the Shareholders as a whole, provided that as a consequence of such distribution the Fund does not fall below the legal minimum capital requirements.

Shareholders should note that Distributing Classes distributing income gross of expenses may result in the Shareholder receiving a higher dividend than they would have otherwise received and therefore may suffer a

higher income tax liability as a result. Shareholders should seek their own professional tax advice in this regard. Also, with respect to such Distributing Classes, since fees and expenses are applied to capital rather than to income, the potential for future appreciation of Net Asset Value of such Shares may be eroded, and, under normal circumstances, the Net Asset Value of a gross income Distributing Class will typically be smaller than a net income Distributing Class. A smaller Net Asset Value can result in performance variance when comparing gross versus net income Distributing Classes.

Shareholders shall be entitled to dividend payments (if any) based on their inscription in the Shareholders' register on the Dividend Valuation Date. Notwithstanding the differentiation between Distributing Classes and Accumulating Classes, there is no differentiation in the allocation of absolute economic return of the European Loans Fund as between the separate Classes, which is made on the basis of a pro rata allocation based on each Class's respective Net Asset Value as at each Valuation Date.

Dividends in respect of Distributing Classes will be definitively calculated and will be paid in arrears nine Business Days following the relevant Dividend Valuation Date.

## **9. Subscription and Clearing Time Limit**

After the end of any initial offering period, Shares will be issued at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date.

All applications for subscriptions will be processed in accordance with the following principles.

Shares will be allotted and issued on any Dealing Date and such other days as the Board may determine at the Net Asset Value per Share as at the relevant Valuation Date, provided that the Registrar and Transfer Agent has received a duly completed and signed irrevocable Application Form for such Shares by no later than 5 p.m. (Luxembourg time), one Business Day prior to such Dealing Date. Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any Application Form received after this cut-off time will be processed on the next Dealing Date subject to the receipt of cleared subscription monies in accordance with the following paragraph.

Cleared monies in relation to applications for Shares must be received by the Depositary, or by a correspondent bank to its order, no later than 5 p.m. (Luxembourg time) on the third Business Day following the relevant Dealing Date (the "Payment Date"). In case payment has not been received by this cut-off time, subject to the Board's discretion, subscriptions will be rejected and payment will be returned at the risk of the Investor. If payment for a subscription is made before the Payment Date and the Fund incurs negative interest charges, the Fund may request compensation from the Investor to offset these charges.

## **10. Redemption and Settlement Period**

Shares may be redeemed on any Dealing Date at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date.

Application for redemption must be received by the Registrar and Transfer Agent not later than 5 p.m. (Luxembourg time) at least twenty-eight calendar days prior to the applicable Dealing Date on which the relevant Shares are to be redeemed. Shareholders must maintain a minimum holding amount as described in the list of available Classes described in section 5 (*Classes of Shares*) of this Appendix.



If the European Loans Fund receives requests for one Dealing Date for net redemptions (and conversions) of more than 10 per cent. in aggregate of the net asset value of the Asset Holding Vehicle, the Asset Holding Vehicle, in its sole discretion, may elect to reduce each redemption (and conversion) request pro rata such that the aggregate amount redeemed in that Dealing Date will not exceed 10 per cent. of the net asset value of the Asset Holding Vehicle, which in turn may be applied similarly at the level of the European Loans Fund. Any amount which, by virtue of this limitation, is not redeemed shall be carried forward for redemption (or conversion) on the next Dealing Date. Requests carried forward shall be subject to this same limitation as applied to net redemption (and conversion) requests received on the subsequent Dealing Date, with no priority given based on time of receipt of the request. Investors will be notified if their redemption request is deferred.

Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any applications received after the applicable deadline will be processed in respect of the next Dealing Date.

Payment of redemption proceeds will be generally effected within nine Business Days following the relevant Dealing Date.

## **11. Conversion and Conversion Time Limit**

Save as otherwise provided, Shares relating to other Sub-Funds of the Fund or in other Classes of the European Loans Fund may be converted into any Class of the European Loans Fund on any day which is a Dealing Date for both Sub-Funds concerned, subject to fulfilling the relevant eligibility criteria. Completed requests for conversions into any Share Class of the European Loans Fund must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time), three Business Days prior to the relevant Dealing Date for both Sub-Funds concerned, and will be dealt with at the calculated price on the relevant Valuation Date. Requests received after this time shall be deferred to the following Dealing Date for both Sub-Funds concerned.

Investors seeking to convert Shares of the European Loans Fund into Shares of another Sub-Fund should review, and their conversion request shall comply with, the relevant conversion time limits for that Sub-Fund.

## **12. Fees and Expenses**

### ***AIFM Fee***

The AIFM is entitled to receive an annual fee of up to 0.06 per cent. of the net asset value of the European Loans Fund, subject to a minimum fee of Euro 15,000 per annum. This fee is calculated as the average of the month-end net asset value of the previous quarter and is invoiced quarterly in arrears.

### ***Investment Management Fee***

The AIFM will further receive an Investment Management Fee directly from the European Loans Fund as follows:

- (i) in respect of the Class I Shares, at an annual rate of 0.45 per cent. of the European Loans Fund's net asset value attributable to the outstanding Class I Shares; and
- (ii) in respect of the Class A of Shares, at an annual rate of 0.90 per cent. of the European Loans Fund's net asset value attributable to the outstanding Class A Shares.

As Class X and Class Y Shares are designed to accommodate an alternative charging structure (which may include a performance fee), the fees payable in respect of these Shares are stipulated in the separate agreement with the Global Distributor governing their terms of issue, provided that the maximum Investment Management Fee will be of (i) 0.90% in respect of the Class X Shares and (ii) 0.45% in respect of the Class Y Shares.

No Investment Management Fee is payable in respect of Class O Shares. The relevant Shareholder will enter into an agreement with the AIFM or an affiliate of the AIFM, which will invoice a fee to the Shareholder on a quarterly basis.

#### ***Performance Fee***

No performance fee will be charged (unless agreed separately in respect of Class X or Class Y Shares).

#### ***Subscription Charge***

No subscription charge will be levied.

#### ***Redemption Charge***

No redemption charge will be levied.

#### ***Conversion Charge***

No conversion charge will be levied.

#### **Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Paying Agent and Depositary Fees**

The European Loans Fund and the Asset Holding Vehicle pay a combined fee monthly in arrear at a maximum of 0.2 per cent. of their net asset value to BBH, for its rendering of services as Administrative Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Domiciliary Agent, Paying Agent and Depositary.

The actual amounts of these fees are disclosed in the financial reports.

#### ***TER***

To the extent that the TER per Class exceeds a percentage designated by the AIFM in consultation with the Board during any financial year, the excess amount above such percentage shall be paid by the AIFM or an affiliate of the AIFM.

The designated percentage per Class and the actual amounts of these expenses will be disclosed in the financial reports and are otherwise available on request from BBH.

### **13. Duration of the European Loans Fund**

Unlimited.

## APPENDIX II – Senior Secured Fund

**Information contained in this Appendix should be read in conjunction with the full text of the Prospectus. The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the Senior Secured Fund.**

Capitalised terms used in this Appendix will have the meaning given to them in the Prospectus, in addition, the following definitions will have the following meanings:

<b>"Asset Holding Vehicle"</b>	European Senior Secured S.à r.l., a <i>société à responsabilité limitée</i> (private limited liability company) subject to the Luxembourg Law of 22 March 2004 on securitisation, as amended, and a 100 per cent. owned subsidiary of the Senior Secured Fund, incorporated under the laws of Luxembourg, having its registered office at 80, Route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 169.842. The Asset Holding Vehicle was formed by the Senior Secured Fund to serve as an investment vehicle for the Senior Secured Fund. The Asset Holding Vehicle does not qualify as an AIF within the meaning of the AIFM Law. The Senior Secured Fund will invest in notes (the "Notes") issued by the Asset Holding Vehicle and the Notes will provide the Senior Secured Fund with the net economic returns generated by the underlying asset pool of the Asset Holding Vehicle.
<b>"Dealing Date"</b>	each Valuation Date on which a Shareholder may subscribe, redeem or convert shares as further detailed herein.
<b>"Dividend Valuation Date"</b>	the last Valuation Date falling in January and July of each year in relation to Classes of Shares.
<b>"Valuation Date"</b>	each Business Day.

### 1. Investment Objective, Policies and Strategies

The investment objective of the Senior Secured Fund is to provide investors with periodic current income returns and capital appreciation from a portfolio of European and non-European issuers, corporations, partnerships and other business entities which operate in various industries and geographical regions. The Senior Secured Fund will seek to achieve these returns from Investments in primarily Senior Secured Obligations. Typically, Investments are selected where the Investment Manager considers that such obligations or other instruments offer superior yields and relative credit stability. There is no assurance that the Fund will achieve its investment objective or that Investors will not lose money.

The Senior Secured Fund manages the Investments so as to monitor individual obligor, country risk, maturity and asset type categorisation in order to avoid excessive concentrations of risk to protect against any significant effects from underperformance by any single Investment. In addition, the Senior Secured Fund may seek to mitigate a proportion of Market Risk from such Investments and to hedge generally against tail risk and systemic market shocks, in each case primarily through the swap market.

The Senior Secured Fund intends to acquire primarily Senior Secured Obligations not less than half of which are expected to be of European origin and credit risk. The Senior Secured Fund may also purchase other investments, subject to the restrictions below. Substantially all of these investments are expected to be in the form of loans bearing a floating rate of interest, and fixed or floating rate high yield bonds, and many of these can be expected to have been raised in connection with European and non-European leveraged buy-outs.

The Senior Secured Fund may hold Cash and Cash Equivalents, for example, pending suitable investment opportunities of the type described above.

### **Characteristics of Investments**

There are, in summary and subject as provided under section 2 (*Investment Restrictions*) of this Appendix, two types of credit obligation in which the Senior Secured Fund will invest: (i) Senior Secured Obligations and (ii) obligations which are not Senior Secured Obligations.

Senior Secured Obligations will be either loans or high yield bonds. Loans will usually bear a floating rate and high yield bonds a floating or fixed rate of interest and in both cases will always be "cash pay" and may be denominated in any currency. Often the loans and high yield bonds that constitute the Senior Secured Obligations of an obligor group will exist alongside each other and share the senior security granted by the obligor group, meaning that the holders of such Senior Secured Obligations will have a first claim on the assets of the borrower group (save only that a borrower group with such Senior Secured Obligations will sometimes have also established a small revolving credit facility with a "super senior" claim which is not expected to exceed 10 per cent. of the total debt of such borrower group). The security granted will usually take the form of specific collateral, including, but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred shares of the obligor and its subsidiaries. In addition, Senior Secured Obligations, in particular if they are loans, will ordinarily benefit from a package of financial and other covenants provided by the obligors in favour of the lender investors. Substantially all of the Senior Secured Fund's Investments are expected to be in financial instruments that are rated below Investment Grade by Fitch, Moody's and Standard & Poor's.

Obligations that are titled as senior secured obligations but that are issued by a holding company and are structurally subordinated, such that there are other senior secured obligations with a prior claim over the main assets of the borrower group, will not be classified as Senior Secured Obligations.

Obligations which are not Senior Secured Obligations may also be bought from time to time in accordance with the Senior Secured Fund's investment restrictions set out below. These may also take the form of loans or high yield bonds. Examples of the former would be unsecured loans, second lien loans, mezzanine loans and PIK loans. Examples of the latter would be senior unsecured bonds, subordinated bonds, structurally subordinated senior secured bonds (as described above) and PIK notes. These instruments will either be unsecured or rank behind Senior Secured Obligations or both.

The Senior Secured Fund is able to enter into (i) interest rate swaps (e.g., fixed to floating rate obligations), (ii) currency swaps (e.g., non-Euro obligations such as sterling and dollar currencies) and (iii) credit default swaps to hedge or reduce tail risk and to protect the portfolio from systemic market shocks. Short positions in credit default swaps may also be held for investment purposes.

### **Risk Profile**

In light of the Senior Secured Fund's investment strategy, the Senior Secured Fund may be appropriate for Investors who:

- Seek to receive periodic income and / or capital appreciation;
- Wish to invest in a portfolio of mainly sub-investment grade assets of diverse geographical and industrial origination.

There is the risk that a strategy may fail to produce its intended result. The Senior Secured Fund is designed for long-term Investors. As the Senior Secured Fund invests mainly in sub-investment grade assets, Investors may experience increased share price volatility.

## **Certain Investment Risks**

### ***Credit Risks Associated with Debt Obligations***

All debt obligations are subject to the risk of default. Default in the payment of interest or principal on a debt obligation results in a reduction of income, a reduction in the value of the debt obligation and a potential decrease in the value of the Investments.

Debt obligations may become non-performing for a variety of reasons and may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan, the deferral of payments and/or further borrowings by the underlying obligor. In addition, additional expenses may be incurred to the extent it is necessary to seek recovery upon a default on a debt obligation or participate in the restructuring of such obligation. Debt obligations are often syndicated facilities and there is no assurance that the Senior Secured Fund will hold an interest in such a debt obligation that is sufficient to control creditor decisions.

In addition, the Investment Manager, which is responsible for managing the Senior Secured Fund's Investments, may be required from time to time to resolve conflicts of interest that occur as a result of the Senior Secured Fund (or another investment vehicle for which the Investment Manager acts) holding debt obligations at different levels of priority in an obligor or an obligor group's financial structure. This conflict of interest is likely to be magnified in a workout situation and, while the Senior Secured Fund will seek to ensure that such conflicts of interest are fairly resolved, there can be no assurance that such a conflict of interest will not exist and/or cause material prejudice to the Senior Secured Fund's ability to make appropriate returns on the Shares.

The risk of loss due to default of an obligor is also greater for the holders of subordinated debt obligations. Unsecured debt obligations may ordinarily be subject to the same risks as those described above enhanced by their lack of security over the assets of the obligor and/or obligor group.

Should increases in default rates occur with respect to the types of debt obligation in which the Senior Secured Fund invests, the actual default rates of the debt obligations in the portfolio may exceed the hypothetical default rates assumed by investors in determining whether to purchase any of the Shares.

### ***Participations in respect of Debt Obligations***

The Senior Secured Fund may acquire interests in debt obligations indirectly by way of Participation. In purchasing Participations, the Senior Secured Fund generally will have no right to enforce compliance by the

obligor with the terms of the applicable debt agreement and the Senior Secured Fund may not directly benefit from the collateral supporting the debt obligation in respect of which it has purchased a Participation. As a result, the Senior Secured Fund could assume the credit risk of both the obligor and the institution selling the Participation.

### ***Distressed and Defaulted Obligations***

It may be difficult to obtain information as to the true condition of obligors in respect of distressed and defaulted obligations. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterise debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. There is no assurance that the value of the assets collateralising the Senior Secured Fund's Investments will be sufficient or that prospects for a successful reorganisation or similar action will become available. In any reorganisation or liquidation proceeding relating to a company in which the Senior Secured Fund invests, the Senior Secured Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Senior Secured Fund's Investments may not compensate the Shareholders adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

### ***Leverage Risk***

A limited amount of borrowing for efficient portfolio management reasons is permitted under the Senior Secured Fund's investment restrictions. Leverage may be used in the short term against sales (in particular loan sales) which have been transacted but where settlement proceeds have not been received, and if trading counterparties fail to settle, any leverage incurred as described above may not be repaid immediately. The Senior Secured Fund will deal with multiple trading counterparties and is not subject to a limit on exposure to any single counterparty. Under normal market conditions, however, the Senior Secured Fund does not expect to use "cash leverage" (borrowing cash to make additional investments above total net assets) for investment purposes. Finally the Senior Secured Fund also expects to use derivative instruments, including, but not limited to, futures, swaps, forwards and options for hedging purposes which may be considered to be "implied leverage" (and is not subject to the formal leverage restriction in the Senior Secured Fund's investment restrictions). (See also "*Risks Associated with Derivative Instruments*" under the "Risk Factors" heading in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus.)

While leverage presents opportunities for improving the Senior Secured Fund's total return, it has the effect of potentially increasing losses as well. For example, any failure on the part of a trading counterparty against whose payment borrowing has been incurred would likely result in increased interest charges and a leveraged position for the Senior Secured Fund. The use of leverage by the Senior Secured Fund could magnify any losses and have a negative effect on the value of the Shares.

### ***General Risk Factors***

Please refer to "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus for general risk factors which also apply to the Senior Secured Fund.

## 2. Investment Restrictions

Subject to the general investment restrictions laid down in the section of the Prospectus entitled "INVESTMENT RESTRICTIONS AND RISK MANAGEMENT", the Investment Manager is also subject to the following restrictions in relation to the investment of the proceeds of the issue of the Shares by the Senior Secured Fund.

The Senior Secured Fund is required to limit its Investments as follows, at the time of purchase:

- (a) Not less than 85 per cent. of the NAV of the Senior Secured Fund will be invested in Senior Secured Obligations or Cash and Cash Equivalents.
- (b) All of the Investments shall be rated at least B-/B3 at the time of acquisition. In the event that the ratings of Investments are downgraded to a credit assessment that is lower than B-/B3 and the total of such Investments (the "Affected Investments") represent more than 3% of the NAV of the Senior Secured Fund, the Investment Manager shall use its best efforts to sell Affected Investments within 6 months of ceasing to be so rated or, in exceptional market conditions, within such longer period (being no greater than 12 months in total) that, in the reasonable opinion of the Investment Manager, is in the best interests of Shareholders so that the amount of Affected Investments will be no greater than 3% of the NAV. Subject to the foregoing, the Investment Manager shall have full discretion to determine which of the Affected Investments to sell. "Rated at least B-/B3" means that a relevant Investment will be rated at B-/B3 or better by not less than one of Standard & Poor's, Moody's and Fitch and that, where there is more than one rating and the ratings differ, (i) if there are two ratings then the applicable rating will be the lower of the two and (ii) if there are three ratings, the second highest rating.
- (c) Save as set out in paragraph (d) below, the Senior Secured Fund may not invest more than 5 per cent. of its NAV in any one obligor.
- (d) The Senior Secured Fund will not be restricted in respect of its acquisition of Cash and Cash Equivalents.
- (e) The Senior Secured Fund may utilise an overdraft facility for efficient portfolio management reasons. Such overdraft facility may be used to borrow in the short term against sales (in particular loan sales) which have been transacted but where settlement proceeds have not been received and is not expected to exceed 10 per cent. (but may be utilised to a maximum of 30 per cent.) of the Senior Secured Fund's NAV.
- (f) The overall expected leverage, primarily obtained through the use of derivatives and borrowings, may not exceed 150 per cent. of the Sub-Fund's Net Asset Value based on the commitment method and 205 per cent. based on the gross method.
- (g) The Senior Secured Fund may use interest rate and foreign exchange instruments for hedging purposes.
- (h) The Senior Secured Fund will not invest more than 10 per cent. of its NAV into other collective investment schemes (UCITS, Alternative Investment Funds or otherwise).

- (i) The Senior Secured Fund will not invest more than 15 per cent. of the Sub-Fund's Net Asset Value in credit default swaps. For the avoidance of doubt, such limit shall not apply to the use of credit default swaps for hedging purposes.

The Senior Secured Fund may impose further limitations within the parameters of the investment restrictions set out above including, without limitation, with respect to risk concentration including exposures to industries and countries.

The investment restrictions shall apply with respect to any new investment, at the time any such new investment is acquired. If at any point after such acquisition, the relevant investment exceeds any of the above limits as a result of market movements, changes in the portfolio composition, or otherwise, the Investment Manager will be required to remedy the situation, taking into account the interests of the Shareholders. In addition, any requirement to have a particular percentage invested in a specific type or range of investments will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Shares.

### **3. Senior Secured Fund Holding Structure**

Substantially all of the assets of the Senior Secured Fund are held and invested by the Asset Holding Vehicle. The discussion in this Appendix treats the investment activities of the Asset Holding Vehicle as if they were the direct activities of the Senior Secured Fund.

The Asset Holding Vehicle currently does not intend to issue Notes to regulated or unregulated fund vehicles other than to the Senior Secured Fund. Should the Asset Holding Vehicle resolve to issue Notes to other regulated or unregulated fund vehicles this Prospectus will be updated accordingly.

### **4. Reference currency**

The reference currency of the Senior Secured Fund is the Euro.

### **5. Classes of Shares**

A number of Classes of Shares have been created in the Senior Secured Fund to enable investors with different investment needs to access the same underlying investment portfolio, the details of which are set out in the Prospectus. A complete list of available Classes may be obtained at the registered office of the Fund and of the AIFM and will be sent to Investors upon request.

Shares are denominated and, if applicable, pay a dividend in the currency of denomination of the relevant Class, all as further explained under section 8 (*Dividend Policy*) of this Appendix.

Non-Euro Classes of Shares may be offered as hedged and/or unhedged Share Classes. Where hedging strategies are applied, they aim to mitigate currency risk between the reference currency of the Senior Secured Fund and the currency of denomination of the hedged Share Class. There can be no assurance that full hedging can be achieved in all circumstances.

To enable investors with different investment needs to access the same underlying investment portfolio, further Classes of Shares may be created.



## **6. Initial Offering Period**

Classes of Shares are initially issued following an initial offering period, if any, at their initial issue price.

Subsequent subscription for Shares can be made on any Dealing Date and the subscription price for such Shares will be based on the current Net Asset Value per Share as at the relevant Valuation Date (all as further explained under section 9 (*Subscription and Clearing Time Limit*) of this Appendix).

## **7. Minimum Investment and Minimum Holding Requirement**

The minimum amount of any initial investment and holding requirement in the Senior Secured Fund is set out under the heading "Classes of Shares" in the section entitled "SHARES".

## **8. Dividend Policy**

### *Accumulating Classes*

It is the Senior Secured Fund's policy not to pay any dividends to Shareholders of Accumulating Classes. Any returns associated with such Classes are reinvested in the relevant Class and the Net Asset Value per Share of these Accumulating Classes will reflect any net investment income or capital gains.

### *Distributing Classes*

It is the Senior Secured Fund's policy to pay Shareholders of Distributing Classes their proportionate entitlement to the net income or to the gross income of the Senior Secured Fund semi-annually. Notwithstanding the above the Board are empowered to pay additional distributions where the Board believe this would be in the interests of the Shareholders as a whole, provided that as a consequence of such distribution the Fund does not fall below the legal minimum capital requirements.

Shareholders should note that Distributing Classes distributing income gross of expenses may result in the Shareholder receiving a higher dividend than they would have otherwise received and therefore may suffer a higher income tax liability as a result. Shareholders should seek their own professional tax advice in this regard. Also, with respect to such Distributing Classes, since fees and expenses are applied to capital rather than to income, the potential for future appreciation of Net Asset Value of such Shares may be eroded, and, under normal circumstances, the Net Asset Value of a gross income Distributing Class will typically be smaller than a net income Distributing Class. A smaller Net Asset Value can result in performance variance when comparing gross versus net income Distributing Classes.

## **9. Subscription and Clearing Time Limit**

After the end of any initial offering period, Shares will be issued at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date.

All applications for subscriptions will be processed in accordance with the following principles.

Shares will be allotted and issued on any Dealing Date and such other days as the Board may determine at the Net Asset Value per Share as at the relevant Valuation Date, provided that the Registrar and Transfer Agent has received a duly completed and signed irrevocable Application Form for such Shares by no later than 5 p.m. (Luxembourg time), one Business Day prior to such Dealing Date. Subject to the Board's discretion and

as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any Application Form received after this cut-off time will be processed on the next Dealing Date subject to the receipt of cleared subscription monies in accordance with the following paragraph.

Cleared monies in relation to applications for Shares must be received by the Depositary, or by a correspondent bank to its order, no later than 5 p.m. (Luxembourg time) on the third Business Day following the relevant Dealing Date (the "Payment Date"). In case payment has not been received by this cut-off time, subject to the Board's discretion, subscriptions will be rejected and payment will be returned at the risk of the Investor. If payment for a subscription is made before the Payment Date and the Fund incurs negative interest charges, the Fund may request compensation from the Investor to offset these charges.

## **10. Redemption and Settlement Period**

Shares may be redeemed on any Dealing Date at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date.

Application for redemption must be received by the Registrar and Transfer Agent not later than 5 p.m. (Luxembourg time) at least twenty-eight calendar days prior to the applicable Dealing Date on which the relevant Shares are to be redeemed. Shareholders must maintain a minimum holding amount as described in section 5 (*Classes of Shares*) of this Appendix.

If the Senior Secured Fund receives requests for one Dealing Date for net redemptions (and conversions) of more than 10 per cent. in aggregate of the net asset value of the Asset Holding Vehicle, the Asset Holding Vehicle, in its sole discretion, may elect to reduce each redemption (and conversion) request pro rata such that the aggregate amount redeemed on that Dealing Date will not exceed 10 per cent. of the net asset value of the Asset Holding Vehicle which in turn may be applied similarly at the level of the Senior Secured Fund. Any amount which, by virtue of this limitation, is not redeemed shall be carried forward for redemption (or conversion) on the next Dealing Date. Requests carried forward shall be subject to this same limitation as applied to net redemption (and conversion) requests received on the subsequent Dealing Date, with no priority given based on time of receipt of the request. Investors will be notified if their redemption request is deferred.

Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES" any applications received after the applicable deadline will be processed in respect of the next Dealing Date.

Payment of redemption proceeds will be generally effected within nine Business Days following the relevant Dealing Date.

## **11. Conversion and Conversion Time Limit**

Save as otherwise provided, Shares relating to other Sub-Funds of the Fund or in other Classes of the Senior Secured Fund may be converted into any Class of the Senior Secured Fund on any day which is a Dealing Date for both Sub-Funds concerned, subject to fulfilling the relevant eligibility criteria. Completed requests for conversions into any Share Class of the Senior Secured Fund must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time), three Business Days prior to the relevant Dealing Date for both Sub-Funds concerned, and will be dealt with at the calculated price on the relevant Valuation Date. Requests received after this time shall be deferred to the following Dealing Date for both Sub-Funds concerned.

Investors seeking to convert Shares of the Senior Secured Fund into Shares of another Sub-Fund should review, and their conversion request shall comply with, the relevant conversion time limits for that Sub-Fund.

## **12. Fees and Expenses**

### ***AIFM Fee***

The AIFM is entitled to receive an annual fee of up to 0.06 per cent. of the net asset value of the Senior Secured Fund subject to a minimum fee of Euro 15,000 per annum. This fee is calculated as the average of the month-end net asset value of the previous quarter and is invoiced quarterly in arrears.

### ***Investment Management Fee***

The AIFM will further receive an Investment Management Fee directly from the Senior Secured Fund as follows:

- (i) in respect of the Class I Shares, at an annual rate of 0.45 per cent. of the Senior Secured Fund's net asset value attributable to the outstanding Class I Shares; and
- (ii) in respect of the Class A Shares, at an annual rate of 0.90 per cent. of the Senior Secured Fund's net asset value attributable to the outstanding Class A Shares.

As Class X and Class Y Shares are designed to accommodate an alternative charging structure (which may include a performance fee), the fees payable in respect of these Shares are stipulated in the separate agreement with the Global Distributor governing their terms of issue, provided that the maximum Investment Management Fee will be of (i) 0.90 % in respect of the Class X Shares and (ii) 0.45% in respect of the Class Y Shares.

No Investment Management Fee is payable in respect of Class O Shares. The relevant Shareholder will enter into an agreement with the AIFM or an affiliate of the AIFM, which will invoice a fee to the Shareholder on a quarterly basis.

### ***Performance Fee***

No performance fee will be charged (unless agreed separately in respect of Class X or Class Y Shares).

### ***Subscription Charge***

No subscription charge will be levied.

### ***Redemption Charge***

No redemption charge will be levied.

### ***Conversion Charge***

No conversion charge will be levied.

## **Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Paying Agent and Depositary Fees**

The Senior Secured Fund and the Asset Holding Vehicle pay a combined fee monthly in arrear at a maximum of 0.2 per cent. of their net asset value to BBH, for its rendering of services as Administrative Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Domiciliary Agent, Paying Agent and Depositary.

The actual amounts of these fees are disclosed in the financial reports.

### ***TER***

To the extent that the TER per Class exceeds a percentage designated by the AIFM in consultation with the Board during any financial year, the excess amount above such percentage shall be paid by the AIFM or an affiliate of the AIFM.

The designated percentage per Class and the actual amounts of these expenses will be disclosed in the financial reports and are otherwise available on request from BBH.

## **13. Duration of the Senior Secured Fund**

Unlimited.

## APPENDIX III – Climate Transition Buy and Maintain Plus 2025 - 2029 Fund (the “2029 Fund”)

**Information contained in this Appendix should be read in conjunction with the full text of the Prospectus.**

Capitalised terms used in this Appendix will have the meanings given them in the Prospectus. In addition, the following definitions will have the following meanings:

<b>"Dealing Date"</b>	each Valuation Date on which a Shareholder may subscribe, redeem or convert shares as further detailed herein.
<b>"Dividend Valuation Date"</b>	the last Valuation Date falling in each calendar month in relation to all Distributing Classes of the 2029 Fund.
<b>"Valuation Date"</b>	each Business Day.

### **Investment Objective, Policies and Strategies**

The 2029 Fund primarily seeks to provide investment income with the potential for capital appreciation, while adopting a limited turnover approach. The 2029 Fund promotes environmental and/or social characteristics but does not have a sustainable investment objective

The 2029 Fund will seek to achieve its investment objective primarily through investment in a portfolio of debt and debt related securities maturing within the period between the calendar years of 2025 to 2029 and expiring on the term of the 2029 Fund (the **“Paydown Period”**).

Under normal circumstances:

- The 2029 Fund will invest:
  - at least 75% of its total assets in credit debt securities rated Investment Grade at the time of purchase issued by corporate issuers domiciled anywhere in the world excluding Emerging Markets Securities (as defined under the “Emerging Markets Risk” factor below), which may be classified as Green Bonds. The Sub-Fund will not invest in distressed or defaulted securities (at the time of the purchase). In the event that the downgrade of a security triggers the breach of that limit, the Investment Manager will remedy that situation by selling securities as early as practicable, taking due account of the interests of Shareholders; and
  - up to 25% of its total assets in other securities consisting of:
    - up to 20% of its total assets in credit debt securities rated below Investment Grade (excluding securities rated as distressed or lower) at the time of purchase, which may be classified as Green Bonds, as well as agencies and supranationals, taxable municipals and sovereign bonds;
    - up to 20% of its total assets in credit debt Emerging Markets Securities rated Investment Grade at the time of purchase issued by corporate issuers; and
    - up to 10% of its total assets in securitised assets, including mortgage-related and asset-backed securities, which may include investments in mortgage to-be-announced (TBA) securities, rated Investment Grade at the time of purchase.

- The 2029 Fund may invest up to 30% of its total assets in perpetual bonds.
- The Investment Manager's preference is to purchase securities denominated in GBP. The 2029 Fund will hedge non-GBP denominated investments to the GBP.
- The Investment Manager will target to decarbonise the 2029 Fund by setting a decarbonisation profile for the 2029 Fund at inception that has a carbon intensity that is at least 30% lower than the Bloomberg Global Aggregate Corporate Total Return Index Hedged GBP. The Investment Manager will utilise carbon intensity data from a third party ESG data provider.
- Security selection for the 2029 Fund is supported by Allspring's proprietary Climate Transition Framework (the "Framework"). Application of the Framework is intended to assist the 2029 Fund in meeting its financial objective while also achieving its climate objective by investing in a broad range of companies that are expected to perform well in decarbonisation (as measured under the scores set out under the Framework) with a target of net zero by 2050. Under the Framework, companies are assigned climate transition scores which are designed to measure how such companies affect decarbonisation and vice versa.

The climate transition scores are grounded in valuation implications by mapping material climate risks to the relevant companies' economic balance sheets grouped into four pillars: Strategy and Governance, Asset and Operating Position, Financial Profile, and Macroeconomic Position. The scores are comparable across industries and range from 1 (fundamentally negative) to 4 (fundamentally positive), with a score of 2 representing neutral positioning.

The portfolio of the 2029 Fund is intended to promote decarbonisation by tilting exposure to companies that are better positioned to contribute to climate transition. Accordingly, only companies that score 2 or above at the time of purchase will be eligible for inclusion. Unrated securities will not be eligible for inclusion in the 2029 Fund. Sovereign issuers, cash, derivatives and investments in underlying funds will not be required to have a climate transition score.

Existing holdings that are downgraded below the minimum climate transition score will require engagement with the relevant company with the objective of the company addressing the cause of the downgrade and the potential steps to address the underlying issue(s). Should the Investment Manager believe progress toward addressing the underlying issue(s) has not been achieved within one year, the position will be sold

- Through use of a negative screening process, the 2029 Fund seeks to exclude securities issued by, but not limited to, companies that:
  - are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment, and anti-corruption or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
  - have exposure to controversial weapons, such as (but not limited to) biological, chemical, cluster and nuclear weapons, and anti-personnel mines;
  - receive revenue from oil sands extraction; and
  - receive revenue, exceeding a revenue threshold, from specific excluded activities, such as, but not limited to civilian small arms, tobacco and thermal coal (the "**Excluded Investments**").

- A copy of the methodology used to assess, measure and monitor the environmental or social characteristics of issuers and list of Excluded Investments (including the revenue thresholds) is available at <https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies>. Shareholders may also request a copy from the Fund or the AIFM.
- The Investment Manager uses a bottom-up fundamental credit analysis to generate new ideas and identify individual securities with attractive income and/or capital appreciation prospects. The Investment Manager intends to hold bonds until maturity, however it will buy and sell bonds in the portfolio where this is necessary, in its view to maintain the risk/return profile and investment policy.
- The Investment Manager may also use futures, forward contracts, options, or swap agreements, as well as other derivatives, for hedging, efficient portfolio management or investment purposes.
- For additional information on the environmental and/or social characteristics promoted by the 2029 Fund, please refer to APPENDIX VI—SUSTAINABLE FINANCE DISCLOSURE AND TAXONOMY REGULATION.

In the two-year period leading up to the Maturity Date (as defined below), the 2029 Fund may hold progressively higher levels of cash and near-cash instruments in order to fund the return of capital to Investors, and the investment terms set out above may no longer apply during such period.

## **Risk Profile**

The 2029 Fund is suitable for investors who are seeking current income as generated by Investment Grade fixed income securities and are looking to diversify their investments through exposure to global bonds.

There is the risk that a strategy used to manage the portfolio may fail to produce its intended result. The 2029 Fund is designed for long-term Investors.

## **Certain Investment Risks**

### ***Debt Securities Risk***

Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities, including US Government obligations. Debt securities with longer maturities are generally more sensitive to interest rate changes than those with shorter maturities. Changes in market interest rates do not affect the rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can reduce its exposure to interest rate risk.

Changes in market interest rates may also extend or shorten the duration of certain types of instruments, thereby affecting their value and the return on an investment in the 2029 Fund. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility and may detract from the 2029 Fund's performance to the extent the 2029 Fund is exposed to such interest rates.

Some debt securities give the issuers the option to call, redeem or prepay the securities before their maturity dates. If an issuer calls, redeems or prepays a debt security during a time of declining interest rates, the 2029 Fund might have to reinvest the proceeds in a security offering a lower yield, and therefore might not benefit

from any increase in value as a result of declining interest rates. Debt securities with either no stated maturity or an extremely long maturity (e.g., 50 to 100 years), referred to as perpetual bonds, are generally subject to additional interest rate sensitivity and liquidity risk in certain market conditions. In stressed market environments, perpetual bonds may experience negative price pressures which may adversely impact the return on an investment in the 2029 Fund investing in this type of debt security.

### ***Emerging Markets Risk***

Emerging markets are markets associated with a country that is considered by international financial organisations, such as the International Finance Corporation and the International Bank for Reconstruction and Development, and the international financial community to have an "emerging" stock market. Such markets may be under-capitalised, have less-developed legal and financial systems or may have less stable currencies than markets in the developed world. **"Emerging Market Securities"** are securities: (1) issued by companies with their principal place of business or principal office in an emerging market country; (2) issued by companies for which the principal securities trading market is an emerging market country; or (3) issued by companies, regardless of where their securities are traded, that derive at least 50% of their revenue or profits from goods produced or sold, investments made, or services performed in emerging market countries or that have at least 50% of their assets in emerging market countries. Emerging markets securities typically present even greater exposure to the risks described under "Market Risk" and may be particularly sensitive to certain economic changes. For example, emerging market countries are more often dependent on international trade and are therefore often vulnerable to recessions in other countries. Emerging markets may have obsolete financial systems and volatile currencies and may be more sensitive than more mature markets to a variety of economic factors. Emerging Market Securities also may be less liquid than securities of more developed countries and could be difficult to sell, particularly during a market downturn.

### ***Leverage Risk***

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements and the use of certain types of financial derivative instruments such as futures, swaps, including total return swaps, and FX forwards. Derivatives provide exposure to potential gain or loss from a change in the level of market prices of a security or currency in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Leverage creates an opportunity for greater yield and total return but, at the same time, may increase Net Asset Value per Share volatility. The level of leverage may vary significantly depending on market environment (e.g., low market volatility), purpose (e.g., whether the 2029 Fund makes use of derivatives to hedge market risks or to benefit from investment opportunities), and investment allocation (e.g., rebalancing between long/short strategies and hence, between the asset classes used). A higher degree of leverage does not necessarily imply a higher degree of risk. The use of leverage may cause the 2029 Fund to liquidate portfolio positions when it may not be advantageous to do so.

### ***High Yield Securities Risk***

High yield securities (sometimes referred to as "junk bonds") are debt securities that are rated below Investment Grade, are unrated and deemed by the Investment Manager to be below Investment Grade or are in distress/default at the time of purchase. These securities are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest and have a much greater risk of default (or in the case of bonds currently in default, of not returning principal) and may be more volatile than higher-rated securities of similar maturity. The risk of loss due to default by these issuers is significantly greater because



high yield securities generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers of distressed securities may be limited, thereby reducing the Investment Manager's ability to monitor the performance and to evaluate the advisability of continued investments in specific situations. In the event of bankruptcy of an issuer, the 2029 Fund may experience losses and incur costs. The value of these securities can be affected by overall economic conditions, interest rates, and the creditworthiness of the individual issuers. Additionally, these securities may be less liquid and more difficult to value than higher-rated securities. If an issuer of high yield securities calls the obligation for redemption, the 2029 Fund may have to replace the security with a lower yielding security, resulting in a decreased return for Investors. Also, as the principal value of bonds moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by the 2029 Fund may decline proportionately more than a portfolio consisting of higher rated securities. If the 2029 Fund experiences unexpected net redemptions, it may be forced to sell its higher rated bonds, resulting in a decline in the overall credit quality of the securities held by the 2029 Fund and increasing the exposure of the 2029 Fund to the risks of lower rated securities.

### ***US Government Obligations Risk***

US Government obligations include securities issued by the US Treasury, US Government agencies or government sponsored entities. While US Treasury obligations are backed by the "full faith and credit" of the US Government, securities issued by US Government agencies or government-sponsored entities may not be backed by the full faith and credit of the US Government. The Government National Mortgage Association ("GNMA"), a wholly owned US Government corporation, is authorised to guarantee, with the full faith and credit of the US Government, the timely payment of principal and interest on securities issued by institutions approved by GNMA and backed by pools of mortgages insured by the Federal Housing Administration or the Department of Veterans Affairs. Government-sponsored entities (whose obligations are not backed by the full faith and credit of the US Government) include the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the US Government. FHLMC guarantees the timely payment of interest and ultimate collection or scheduled payment of principal, but its participation certificates are not backed by the full faith and credit of the US Government. If a government-sponsored entity is unable to meet its obligations or its creditworthiness declines, the performance of the 2029 Fund, to the extent that it holds securities issued or guaranteed by the entity, will be adversely impacted. US Government obligations are subject to low but varying degrees of credit risk and are still subject to interest rate and market risk.

### ***Asset-Backed Securities Risk***

Asset-backed securities represent interests in "pools" of assets, such as mortgages, consumer loans credit card, student loan, auto (loan, lease, floorplan, rental car), equipment, consumer loan, container lease, railcar lease, fleet lease, franchise/whole business, structured settlement, tax lien, mobile device payment plan, PACE and insurance premiums. The main categories are residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralised loan obligations (CLO) and consumer asset-backed

securities. Asset-backed securities are subject to certain additional risks. Rising interest rates tend to extend the duration of these securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, these securities may exhibit additional volatility. This is known as extension risk. In addition, these securities are subject to prepayment risk, which is the risk that when interest rates decline or are low but are expected to rise, borrowers may pay off their debts sooner than expected. This can reduce the returns of the 2029 Fund because the 2029 Fund will have to reinvest such prepaid funds at the lower prevailing interest rates. This is also known as contraction risk. These securities also are subject to risk of default on the underlying assets, particularly during periods of economic downturn.

The average life of each individual security may be affected by a large number of factors such as structural features (including the existence and frequency of exercise of any optional redemption, mandatory prepayment or sinking fund features), the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets. As a result, no assurance can be made as to the exact timing of cashflows from the portfolio of securities. This uncertainty may affect the returns of the 2029 Fund.

In addition, to the extent that they are not guaranteed, each type of asset backed securities entails specific credit risks depending on the type of assets involved and the legal structure used.

TBAs are mortgage-backed securities that are purchased sight unseen before they are issued and can fall in value between the time the 2029 Fund commits to the purchase and the time of delivery. TBAs are treated as derivatives and are subject to the risks described under 'Risks Associated with Derivative Instruments' in "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus.

### ***General Risk Factors***

Please refer to "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus for general risk factors of which certain also apply to the 2029 Fund.

## **14. Investment Restrictions**

Subject to the general investment restrictions laid down in the section of the Prospectus entitled "INVESTMENT RESTRICTIONS AND RISK MANAGEMENT", the Investment Manager is also subject to the following restrictions in relation to the investment of the proceeds of the issue of the Shares by the 2029 Fund:

- (a) The 2029 Fund may utilise an overdraft facility for efficient portfolio management reasons. Such overdraft facility is not expected to exceed 10 per cent. of the 2029 Fund's NAV.
- (b) The overall expected leverage, primarily obtained through the use of derivatives and borrowings, may not exceed 200 per cent. of the 2029 Fund's Net Asset Value based on the commitment method and 200 per cent. based on the gross method.
- (c) The 2029 Fund may use interest rate and foreign exchange instruments for hedging purposes.

The 2029 Fund may impose further limitations within the parameters of the investment restrictions set out above including, without limitation, with respect to risk concentration including exposures to industries and countries.

The investment restrictions shall apply with respect to any new investment, at the time any such new investment is acquired. If at any point after such acquisition, the relevant investment exceeds any of the above limits as a result of market movements, changes in the portfolio composition, or otherwise, the Investment Manager will be required to remedy the situation, taking into account the interests of the Shareholders. In addition, any requirement to have a particular percentage invested in a specific type or range of investments will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Shares.

#### **15. Reference currency**

The reference currency of the 2029 Fund is GBP.

#### **16. Classes of Shares**

A number of Classes of Shares have been or may be created in the 2029 Fund to enable investors with different investment needs to access the same underlying investment portfolio the details of which are set out in the Prospectus. A complete list of available Classes may be obtained at the registered office of the Fund and of the AIFM and will be sent to Investors upon request.

Shares are denominated and, if applicable, pay a dividend in the currency of denomination of the relevant Class, all as further explained under section 18 (*Dividend Policy*) of this Appendix.

Non-GBP Classes of Shares may be offered as hedged or unhedged Share Classes. Where hedging strategies are, they aim to mitigate currency risk between the reference currency of the 2029 Fund and the currency of denomination of the hedged Share Class. There can be no assurance that full hedging can be achieved in all circumstances.

#### **17. Minimum Investment and Minimum Holding Requirement**

The minimum amount of any initial investment and holding requirement in the 2029 Fund is set out under the heading "Classes of Shares" in the section "SHARES".

#### **18. Dividend Policy**

##### *Accumulating Classes*

It is the 2029 Fund's policy not to pay any dividends to Shareholders of Accumulating Classes. Any returns associated with such Classes are reinvested in the relevant Class and the Net Asset Value per Share of these Accumulating Classes will reflect any net investment income or capital gains.

##### *Distributing Classes*

Prior to the commencement of the Paydown Period, it is the 2029 Fund's policy to pay Shareholders of Distributing Classes their proportionate entitlement to the gross income of the 2029 Fund on a monthly basis.

During the Paydown Period, it is the 2029 Fund's policy to pay Shareholders of Distributing Classes their proportionate entitlement to the gross income of the 2029 Fund and capital in the form of principal payments received in respect of maturing Investments, if any, on a monthly basis, provided that any premature principal

payments (including due to called bonds) received by the 2029 Fund may not be distributed and may instead be reinvested by the 2029 Fund. Payment of distributions out of capital amounts to a return of part of a Shareholder's investment in the 2029 Fund.

Notwithstanding the above the Board are empowered to pay additional distributions where the Board believe this would be in the interests of the Shareholders as a whole, provided that as a consequence of such distribution the Fund does not fall below the legal minimum capital requirements.

Shareholders should note that Distributing Classes distributing income gross of expenses may result in the Shareholder receiving a higher dividend than they would have otherwise received and therefore may suffer a higher income tax liability as a result. Shareholders should seek their own professional tax advice in this regard. Also, with respect to such Distributing Classes, since fees and expenses are applied to capital rather than to income, the potential for future appreciation of Net Asset Value of such Shares may be eroded, and, under normal circumstances, the Net Asset Value of a gross income Distributing Class will typically be smaller than a net income Distributing Class. A smaller Net Asset Value can result in performance variance when comparing gross versus net income Distributing Classes.

The 2029 Fund uses an accounting practice known as equalisation in an attempt to ensure that the level of gross income received (the “**Distributable Amount**”) within the 2029 Fund and attributable to each Share is not affected by subscriptions, redemptions and switches of Shares. In equalisation, a portion of the proceeds from the subscription and conversion of Shares and the costs from the redemption of Shares, equivalent on a per Share basis to the Distributable Amount on the date of the transaction, is credited or charged to the undistributed Distributable Amount. As a result, issues, conversions and redemptions of Shares do not impact the undistributed Distributable Amount per Share. The tax treatment of equalisation distributions may differ depending on the Shareholder's jurisdiction. Shareholders should consult with their own tax adviser to assess the impact, if any, of equalisation in light of their particular circumstances.

Shareholders shall be entitled to dividend payments (if any) based on their inscription in the Shareholders' register on the Dividend Valuation Date. Notwithstanding the differentiation between Distributing Classes and Accumulating Classes, there is no differentiation in the allocation of absolute economic return of the 2029 Fund as between the separate Classes, which is made on the basis of a pro rata allocation based on each Class's respective Net Asset Value as at each Valuation Date.

Dividends in respect of Distributing Classes will be definitively calculated and will be paid in arrears five Business Days following the relevant Dividend Valuation Date.

## **19. Subscription and Clearing Time Limit**

Classes of Shares are initially issued at their initial issue price. Subsequent subscriptions for Shares will be issued at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date. As outlined in the Fund's partial swing pricing policy described in the section of this Prospectus entitled “DETERMINATION OF NET ASSET VALUE”, the Net Asset Value of the 2029 Fund may be adjusted on a Valuation Date when the 2029 Fund experiences significant net subscriptions or redemptions.

All applications for subscriptions will be processed in accordance with the following principles.

Shares will be allotted and issued on any Dealing Date and such other days as the Board may determine at the Net Asset Value per Share as at the relevant Valuation Date, provided that the Registrar and Transfer Agent has received a duly completed and signed irrevocable Application Form for such Shares by no later than 5

p.m. (Luxembourg time) on the applicable Dealing Date. Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any Application Form received after this cut-off time will be processed on the next Dealing Date subject to the receipt of cleared subscription monies in accordance with the following paragraph.

Cleared monies in relation to applications for Shares must be received by the Depositary, or by a correspondent bank to its order, no later than 5 p.m. (Luxembourg time) on the third Business Day following the relevant Dealing Date (the "Payment Date"). In case payment has not been received by this cut-off time, subject to the Board's discretion, subscriptions will be rejected and payment will be returned at the risk of the Investor. If payment for a subscription is made before the Payment Date and the Fund incurs negative interest charges, the Fund may request compensation from the Investor to offset these charges.

## **20. Redemption and Settlement Period**

Shares may be redeemed on any Dealing Date at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date. As outlined in the Fund's partial swing pricing policy described in the section of this Prospectus entitled "DETERMINATION OF NET ASSET VALUE", the Net Asset Value of the 2029 Fund may be adjusted on a Valuation Date when the 2029 Fund experiences significant net subscriptions or redemptions.

Application for redemption must be received by the Registrar and Transfer Agent not later than 5 p.m. (Luxembourg time) on the applicable Dealing Date on which the relevant Shares are to be redeemed. Shareholders must maintain a minimum holding amount as described in the list of available Classes described in section 5 (*Classes of Shares*) of this Appendix.

If the 2029 Fund receives requests for one Dealing Date for net redemptions (and conversions) of more than 10 per cent. in aggregate of the net asset value of the 2029 Fund, the 2029 Fund may elect to reduce each redemption (and conversion) request pro rata such that the aggregate amount redeemed in that Dealing Date will not exceed 10 per cent. of the net asset value of the 2029 Fund. Any amount which, by virtue of this limitation, is not redeemed shall be carried forward for redemption (or conversion) on the next Dealing Date. Requests carried forward shall be subject to this same limitation as applied to net redemption (and conversion) requests received on the subsequent Dealing Date, with no priority given based on time of receipt of the request. Investors will be notified if their redemption request is deferred.

Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any applications received after the applicable deadline will be processed in respect of the next Dealing Date.

Payment of redemption proceeds will be generally effected within three Business Days following the relevant Dealing Date.

## **21. Conversion and Conversion Time Limit**

Save as otherwise provided, Shares relating to other Sub-Funds of the Fund or in other Classes of the 2029 Fund may be converted into any Class of the 2029 Fund on any day which is a Dealing Date for both Sub-Funds concerned, subject to fulfilling the relevant eligibility criteria. Completed requests for conversions into any Share Class of the 2029 Fund must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time), three Business Days prior to the relevant Dealing Date for both Sub-Funds concerned,

and will be dealt with at the calculated price on the relevant Valuation Date. Requests received after this time shall be deferred to the following Dealing Date for both Sub-Funds concerned.

Investors seeking to convert Shares of the 2029 Fund into Shares of another Sub-Fund should review, and their conversion request shall comply with, the relevant conversion time limits for that Sub-Fund.

As outlined in the Fund's partial swing pricing policy described in the section of this Prospectus entitled "DETERMINATION OF NET ASSET VALUE", the Net Asset Value of the 2029 Fund may be adjusted on a Valuation Date when the 2029 Fund experiences significant net subscriptions or redemptions.

## **22. Fees and Expenses**

### ***AIFM Fee***

The AIFM is entitled to receive an annual fee of up to 0.06 per cent. of the net asset value of the 2029 Fund, subject to a minimum fee of Euro 15,000 per annum. This fee is calculated as the average of the month-end net asset value of the previous quarter and is invoiced quarterly in arrears.

### ***Investment Management Fee***

The AIFM will further receive an Investment Management Fee directly from the 2029 Fund in respect of the Class I Shares, at an annual rate of 0.10 per cent. of the 2029 Fund's net asset value attributable to the outstanding Class I Shares.

### ***Performance Fee***

No performance fee will be charged (unless agreed separately in respect of Class X or Class Y Shares).

### ***Subscription Charge***

No subscription charge will be levied.

### ***Redemption Charge***

No redemption charge will be levied.

### ***Conversion Charge***

No conversion charge will be levied.

### **Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Paying Agent and Depositary Fees**

The 2029 Fund pays a combined fee monthly in arrear at a maximum of 0.2 per cent. of its net asset value to BBH, for its rendering of services as Administrative Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Domiciliary Agent, Paying Agent and Depositary.

The actual amounts of these fees are disclosed in the financial reports.

## ***TER***

To the extent that the TER per Class exceeds a percentage designated by the AIFM in consultation with the Board during any financial year, the excess amount above such percentage shall be paid by the AIFM or an affiliate of the AIFM.

The designated percentage per Class and the actual amounts of these expenses will be disclosed in the financial reports and are otherwise available on request from BBH.

### **23. Duration of the 2029 Fund**

The 2029 Fund is intended to have a fixed term of up to 5 years and 2 months, ending on a date determined by the Investment Manager at its discretion (the “**Maturity Date**”).

On the Maturity Date, the Shares in the 2029 Fund will be redeemed in accordance with the redemption provisions set out in this Appendix and the Prospectus as if each Shareholder had submitted a redemption request prior to the Maturity Date, requesting redemption in full on the Maturity Date. The Maturity Date shall be a date in 2029 however the exact date in 2029 remains to be determined and investors will be notified at least 30 calendar days in advance of the Maturity Date.

## Appendix IV – Climate Transition Buy and Maintain Plus 2030-2034 Fund (the “2034 Fund”)

Information contained in this Appendix should be read in conjunction with the full text of the Prospectus.

Capitalised terms used in this Appendix will have the meanings given them in the Prospectus. In addition, the following definitions will have the following meanings:

<b>"Dealing Date"</b>	each Valuation Date on which a Shareholder may subscribe, redeem or convert shares as further detailed herein.
<b>"Dividend Valuation Date"</b>	the last Valuation Date falling in each calendar month in relation to all Distributing Classes of the 2034 Fund.
<b>"Valuation Date"</b>	each Business Day.

### Investment Objective, Policies and Strategies

The 2034 Fund primarily seeks to provide investment income with the potential for capital appreciation, while adopting a limited turnover approach. The 2034 Fund promotes environmental and/or social characteristics but does not have a sustainable investment objective

The 2034 Fund will seek to achieve its investment objective primarily through investment in a portfolio of debt and debt related securities maturing within the period between the calendar years of 2030 to 2034 and expiring on the term of the 2034 Fund (the “**Paydown Period**”).

Under normal circumstances:

- The 2034 Fund will invest:
  - at least 75% of its total assets in credit debt securities rated Investment Grade at the time of purchase issued by corporate issuers domiciled anywhere in the world excluding Emerging Markets Securities (as defined under the “Emerging Markets Risk” factor below), which may be classified as Green Bonds. The Sub-Fund will not invest in distressed or defaulted securities (at the time of the purchase). In the event that the downgrade of a security triggers the breach of that limit, the Investment Manager will remedy that situation by selling securities as early as practicable, taking due account of the interests of Shareholders; and
  - up to 25% of its total assets in other securities consisting of:
    - up to 20% of its total assets in credit debt securities rated below Investment Grade (excluding securities rated as distressed or lower) at the time of purchase, which may be classified as Green Bonds, as well as agencies and supnationals, taxable municipals and sovereign bonds;
    - up to 20% of its total assets in credit debt Emerging Markets Securities rated Investment Grade at the time of purchase issued by corporate issuers; and
    - up to 10% of its total assets in securitised assets, including mortgage-related and asset-backed securities, which may include investments in mortgage to-be-announced (“TBA”) securities, rated Investment Grade at the time of purchase.



- The 2034 Fund may invest up to 30% of its total assets in perpetual bonds.
- The Investment Manager's preference is to purchase securities denominated in GBP. The 2034 Fund will hedge non-GBP denominated investments to the GBP.
- The Investment Manager will target to decarbonise the 2034 Fund by setting a decarbonisation profile for the 2034 Fund at inception that has a carbon intensity that is at least 30% lower than the Bloomberg Global Aggregate Corporate Total Return Index Hedged GBP. Prior to the commencement of the Paydown Period, the assets within the portfolio are then managed such that the decarbonisation profile will decline annually with a trajectory to decarbonise by 2050. The Investment Manager will utilise carbon intensity data from a third party ESG data provider.
- Security selection for the 2034 Fund is supported by Allspring's proprietary Climate Transition Framework (the "Framework"). Application of the Framework is intended to assist the 2034 Fund in meeting its financial objective while also achieving its climate objective by investing in a broad range of companies that are expected to perform well in decarbonisation (as measured under the scores set out under the Framework) with a target of net zero by 2050. Under the Framework, companies are assigned climate transition scores which are designed to measure how such companies affect decarbonisation and vice versa.

The climate transition scores are grounded in valuation implications by mapping material climate risks to the relevant companies' economic balance sheets grouped into four pillars: Strategy and Governance, Asset and Operating Position, Financial Profile, and Macroeconomic Position. The scores are comparable across industries and range from 1 (fundamentally negative) to 4 (fundamentally positive), with a score of 2 representing neutral positioning.

The portfolio of the 2034 Fund is intended to promote decarbonisation by tilting exposure to companies that are better positioned to contribute to climate transition. Accordingly, only companies that score 2 or above at the time of purchase will be eligible for inclusion. Unrated securities will not be eligible for inclusion in the 2034 Fund. Sovereign issuers, cash, derivatives and investments in underlying funds will not be required to have a climate transition score.

Existing holdings that are downgraded below the minimum climate transition score will require engagement with the relevant company with the objective of the company addressing the cause of the downgrade and the potential steps to address the underlying issue(s). Should the Investment Manager believe progress toward addressing the underlying issue(s) has not been achieved within one year, the position will be sold

- Through use of a negative screening process, the 2034 Fund seeks to exclude securities issued by, but not limited to, companies that:
  - are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment, and anti-corruption or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
  - have exposure to controversial weapons, such as (but not limited to) biological, chemical, cluster and nuclear weapons, and anti-personnel mines;
  - receive revenue from oil sands extraction; and

- receive revenue, exceeding a revenue threshold, from specific excluded activities, such as, but not limited to civilian small arms, tobacco and thermal coal (the “**Excluded Investments**”).
- A copy of the methodology used to assess, measure and monitor the environmental or social characteristics of issuers and list of Excluded Investments (including the revenue thresholds) is available at <https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies>. Shareholders may also request a copy from the Fund or the AIFM.
- The Investment Manager uses a bottom-up fundamental credit analysis to generate new ideas and identify individual securities with attractive income and/or capital appreciation prospects. The Investment Manager intends to hold bonds until maturity, however it will buy and sell bonds in the portfolio where this is necessary, in its view to maintain the risk/return profile and investment policy.
- The Investment Manager may also use futures, forward contracts, options, or swap agreements, as well as other derivatives, for hedging, efficient portfolio management or investment purposes.
- For additional information on the environmental and/or social characteristics promoted by the 2034 Fund, please refer to APPENDIX VI—SUSTAINABLE FINANCE DISCLOSURE AND TAXONOMY REGULATION.

In the two-year period leading up to the Maturity Date (as defined below), the 2034 Fund may hold progressively higher levels of cash and near-cash instruments in order to fund the return of capital to Investors, and the investment terms set out above may no longer apply during such period.

## **Risk Profile**

The 2034 Fund is suitable for investors who are seeking current income as generated by Investment Grade fixed income securities and are looking to diversify their investments through exposure to global bonds.

There is the risk that a strategy used to manage the portfolio may fail to produce its intended result. The 2034 Fund is designed for long-term Investors.

## **Certain Investment Risks**

### ***Debt Securities Risk***

Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities, including US Government obligations. Debt securities with longer maturities are generally more sensitive to interest rate changes than those with shorter maturities. Changes in market interest rates do not affect the rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can reduce its exposure to interest rate risk.

Changes in market interest rates may also extend or shorten the duration of certain types of instruments, thereby affecting their value and the return on an investment in the 2034 Fund. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility and may detract from the 2034 Fund’s performance to the extent the 2034 Fund is exposed to such interest rates.

Some debt securities give the issuers the option to call, redeem or prepay the securities before their maturity dates. If an issuer calls, redeems or prepays a debt security during a time of declining interest rates, the 2034 Fund might have to reinvest the proceeds in a security offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. Debt securities with either no stated maturity or an extremely long maturity (e.g., 50 to 100 years), referred to as perpetual bonds, are generally subject to additional interest rate sensitivity and liquidity risk in certain market conditions. In stressed market environments, perpetual bonds may experience negative price pressures which may adversely impact the return on an investment in the 2034 Fund investing in this type of debt security.

### ***Emerging Markets Risk***

Emerging markets are markets associated with a country that is considered by international financial organisations, such as the International Finance Corporation and the International Bank for Reconstruction and Development, and the international financial community to have an "emerging" stock market. Such markets may be under-capitalised, have less-developed legal and financial systems or may have less stable currencies than markets in the developed world. **"Emerging Market Securities"** are securities: (1) issued by companies with their principal place of business or principal office in an emerging market country; (2) issued by companies for which the principal securities trading market is an emerging market country; or (3) issued by companies, regardless of where their securities are traded, that derive at least 50% of their revenue or profits from goods produced or sold, investments made, or services performed in emerging market countries or that have at least 50% of their assets in emerging market countries. Emerging markets securities typically present even greater exposure to the risks described under "Market Risk" and may be particularly sensitive to certain economic changes. For example, emerging market countries are more often dependent on international trade and are therefore often vulnerable to recessions in other countries. Emerging markets may have obsolete financial systems and volatile currencies and may be more sensitive than more mature markets to a variety of economic factors. Emerging Market Securities also may be less liquid than securities of more developed countries and could be difficult to sell, particularly during a market downturn.

### ***Leverage Risk***

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements and the use of certain types of financial derivative instruments such as futures, swaps, including total return swaps, and FX forwards. Derivatives provide exposure to potential gain or loss from a change in the level of market prices of a security or currency in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Leverage creates an opportunity for greater yield and total return but, at the same time, may increase Net Asset Value per Share volatility. The level of leverage may vary significantly depending on market environment (e.g., low market volatility), purpose (e.g., whether the 2034 Fund makes use of derivatives to hedge market risks or to benefit from investment opportunities), and investment allocation (e.g., rebalancing between long/short strategies and hence, between the asset classes used). A higher degree of leverage does not necessarily imply a higher degree of risk. The use of leverage may cause the 2034 Fund to liquidate portfolio positions when it may not be advantageous to do so.

### ***High Yield Securities Risk***

High yield securities (sometimes referred to as "junk bonds") are debt securities that are rated below Investment Grade, are unrated and deemed by the Investment Manager to be below Investment Grade or are in distress/default at the time of purchase. These securities are regarded as being predominately speculative as

to the issuer's ability to make payments of principal and interest and have a much greater risk of default (or in the case of bonds currently in default, of not returning principal) and may be more volatile than higher-rated securities of similar maturity. The risk of loss due to default by these issuers is significantly greater because high yield securities generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers of distressed securities may be limited, thereby reducing the Investment Manager's ability to monitor the performance and to evaluate the advisability of continued investments in specific situations. In the event of bankruptcy of an issuer, the 2034 Fund may experience losses and incur costs. The value of these securities can be affected by overall economic conditions, interest rates, and the creditworthiness of the individual issuers. Additionally, these securities may be less liquid and more difficult to value than higher-rated securities. If an issuer of high yield securities calls the obligation for redemption, the 2034 Fund may have to replace the security with a lower yielding security, resulting in a decreased return for Investors. Also, as the principal value of bonds moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by the 2034 Fund may decline proportionately more than a portfolio consisting of higher rated securities. If the 2034 Fund experiences unexpected net redemptions, it may be forced to sell its higher rated bonds, resulting in a decline in the overall credit quality of the securities held by the 2034 Fund and increasing the exposure of the 2034 Fund to the risks of lower rated securities.

### ***US Government Obligations Risk***

US Government obligations include securities issued by the US Treasury, US Government agencies or government sponsored entities. While US Treasury obligations are backed by the "full faith and credit" of the US Government, securities issued by US Government agencies or government-sponsored entities may not be backed by the full faith and credit of the US Government. The Government National Mortgage Association ("GNMA"), a wholly owned US Government corporation, is authorised to guarantee, with the full faith and credit of the US Government, the timely payment of principal and interest on securities issued by institutions approved by GNMA and backed by pools of mortgages insured by the Federal Housing Administration or the Department of Veterans Affairs. Government-sponsored entities (whose obligations are not backed by the full faith and credit of the US Government) include the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the US Government. FHLMC guarantees the timely payment of interest and ultimate collection or scheduled payment of principal, but its participation certificates are not backed by the full faith and credit of the US Government. If a government-sponsored entity is unable to meet its obligations or its creditworthiness declines, the performance of the 2034 Fund, to the extent that it holds securities issued or guaranteed by the entity, will be adversely impacted. US Government obligations are subject to low but varying degrees of credit risk and are still subject to interest rate and market risk.

### ***Asset-Backed Securities Risk***

Asset-backed securities represent interests in "pools" of assets, such as mortgages, consumer loans credit card, student loan, auto (loan, lease, floorplan, rental car), equipment, consumer loan, container lease, railcar lease, fleet lease, franchise/whole business, structured settlement, tax lien, mobile device payment plan, PACE and

insurance premiums. The main categories are residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralised loan obligations (CLO) and consumer asset-backed securities. Asset-backed securities are subject to certain additional risks. Rising interest rates tend to extend the duration of these securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, these securities may exhibit additional volatility. This is known as extension risk. In addition, these securities are subject to prepayment risk, which is the risk that when interest rates decline or are low but are expected to rise, borrowers may pay off their debts sooner than expected. This can reduce the returns of the 2034 Fund because the 2034 Fund will have to reinvest such prepaid funds at the lower prevailing interest rates. This is also known as contraction risk. These securities also are subject to risk of default on the underlying assets, particularly during periods of economic downturn.

The average life of each individual security may be affected by a large number of factors such as structural features (including the existence and frequency of exercise of any optional redemption, mandatory prepayment or sinking fund features), the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets. As a result, no assurance can be made as to the exact timing of cashflows from the portfolio of securities. This uncertainty may affect the returns of the 2034 Fund.

In addition, to the extent that they are not guaranteed, each type of asset backed securities entails specific credit risks depending on the type of assets involved and the legal structure used.

TBAs are mortgage-backed securities that are purchased sight unseen before they are issued and can fall in value between the time the 2034 Fund commits to the purchase and the time of delivery. TBAs are treated as derivatives and are subject to the risks described under 'Risks Associated with Derivative Instruments' in "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus.

### ***General Risk Factors***

Please refer to "Risk Factors" in the section entitled "PURPOSE, INVESTMENT OBJECTIVES AND POLICIES" of the Prospectus for general risk factors of which certain also apply to the 2034 Fund.

## **24. Investment Restrictions**

Subject to the general investment restrictions laid down in the section of the Prospectus entitled "INVESTMENT RESTRICTIONS AND RISK MANAGEMENT", the Investment Manager is also subject to the following restrictions in relation to the investment of the proceeds of the issue of the Shares by the 2034 Fund:

- (a) The 2034 Fund may utilise an overdraft facility for efficient portfolio management reasons. Such overdraft facility is not expected to exceed 10 per cent. of the 2034 Fund's NAV.
- (b) The overall expected leverage, primarily obtained through the use of derivatives and borrowings, may not exceed 200 per cent. of the 2034 Fund's Net Asset Value based on the commitment method and 200 per cent. based on the gross method.
- (c) The 2034 Fund may use interest rate and foreign exchange instruments for hedging purposes.

The 2034 Fund may impose further limitations within the parameters of the investment restrictions set out above including, without limitation, with respect to risk concentration including exposures to industries and countries.

The investment restrictions shall apply with respect to any new investment, at the time any such new investment is acquired. If at any point after such acquisition, the relevant investment exceeds any of the above limits as a result of market movements, changes in the portfolio composition, or otherwise, the Investment Manager will be required to remedy the situation, taking into account the interests of the Shareholders. In addition, any requirement to have a particular percentage invested in a specific type or range of investments will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Shares.

## **25. Reference currency**

The reference currency of the 2034 Fund is GBP.

## **26. Classes of Shares**

A number of Classes of Shares have been or may be created in the 2034 Fund to enable investors with different investment needs to access the same underlying investment portfolio the details of which are set out in the Prospectus. A complete list of available Classes may be obtained at the registered office of the Fund and of the AIFM and will be sent to Investors upon request.

Shares are denominated and, if applicable, pay a dividend in the currency of denomination of the relevant Class, all as further explained under section 18 (*Dividend Policy*) of this Appendix.

Non-GBP Classes of Shares may be offered as hedged or unhedged Share Classes. Where hedging strategies are, they aim to mitigate currency risk between the reference currency of the 2034 Fund and the currency of denomination of the hedged Share Class. There can be no assurance that full hedging can be achieved in all circumstances.

## **27. Minimum Investment and Minimum Holding Requirement**

The minimum amount of any initial investment and holding requirement in the 2034 Fund is set out under the heading "Classes of Shares" in the section "SHARES".

## **28. Dividend Policy**

### *Accumulating Classes*

It is the 2034 Fund's policy not to pay any dividends to Shareholders of Accumulating Classes. Any returns associated with such Classes are reinvested in the relevant Class and the Net Asset Value per Share of these Accumulating Classes will reflect any net investment income or capital gains.

### *Distributing Classes*

Prior to the commencement of the Paydown Period, it is the 2034 Fund's policy to pay Shareholders of Distributing Classes their proportionate entitlement to the gross income of the 2034 Fund on a monthly basis.

During the Paydown Period, it is the 2034 Fund's policy to pay Shareholders of Distributing Classes their proportionate entitlement to the gross income of the 2034 Fund and capital in the form of principal payments received in respect of maturing Investments, if any, on a monthly basis, provided that any premature principal payments (including due to called bonds) received by the 2034 Fund may not be distributed and may instead be reinvested by the 2034 Fund. Payment of distributions out of capital amounts to a return of part of a Shareholder's investment in the 2034 Fund.

Notwithstanding the above the Board are empowered to pay additional distributions where the Board believe this would be in the interests of the Shareholders as a whole, provided that as a consequence of such distribution the Fund does not fall below the legal minimum capital requirements.

Shareholders should note that Distributing Classes distributing income gross of expenses may result in the Shareholder receiving a higher dividend than they would have otherwise received and therefore may suffer a higher income tax liability as a result. Shareholders should seek their own professional tax advice in this regard. Also, with respect to such Distributing Classes, since fees and expenses are applied to capital rather than to income, the potential for future appreciation of Net Asset Value of such Shares may be eroded, and, under normal circumstances, the Net Asset Value of a gross income Distributing Class will typically be smaller than a net income Distributing Class. A smaller Net Asset Value can result in performance variance when comparing gross versus net income Distributing Classes.

The 2034 Fund uses an accounting practice known as equalisation in an attempt to ensure that the level of gross income received (the “**Distributable Amount**”) within the 2034 Fund and attributable to each Share is not affected by subscriptions, redemptions and switches of Shares. In equalisation, a portion of the proceeds from the subscription and conversion of Shares and the costs from the redemption of Shares, equivalent on a per Share basis to the Distributable Amount on the date of the transaction, is credited or charged to the undistributed Distributable Amount. As a result, issues, conversions and redemptions of Shares do not impact the undistributed Distributable Amount per Share. The tax treatment of equalisation distributions may differ depending on the Shareholder's jurisdiction. Shareholders should consult with their own tax adviser to assess the impact, if any, of equalisation in light of their particular circumstances.

Shareholders shall be entitled to dividend payments (if any) based on their inscription in the Shareholders' register on the Dividend Valuation Date. Notwithstanding the differentiation between Distributing Classes and Accumulating Classes, there is no differentiation in the allocation of absolute economic return of the 2034 Fund as between the separate Classes, which is made on the basis of a pro rata allocation based on each Class's respective Net Asset Value as at each Valuation Date.

Dividends in respect of Distributing Classes will be definitively calculated and will be paid in arrears five Business Days following the relevant Dividend Valuation Date.

## **29. Subscription and Clearing Time Limit**

Classes of Shares are initially issued at their initial issue price. Subsequent subscriptions for Shares will be issued at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date. As outlined in the Fund's partial swing pricing policy described in the section of this Prospectus entitled “DETERMINATION OF NET ASSET VALUE”, the Net Asset Value of the 2034 Fund may be adjusted on a Valuation Date when the 2034 Fund experiences significant net subscriptions or redemptions.

All applications for subscriptions will be processed in accordance with the following principles.

Shares will be allotted and issued on any Dealing Date and such other days as the Board may determine at the Net Asset Value per Share as at the relevant Valuation Date, provided that the Registrar and Transfer Agent has received a duly completed and signed irrevocable Application Form for such Shares by no later than 5 p.m. (Luxembourg time) on the applicable Dealing Date. Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any Application Form received after this cut-off time will be processed on the next Dealing Date subject to the receipt of cleared subscription monies in accordance with the following paragraph.

Cleared monies in relation to applications for Shares must be received by the Depositary, or by a correspondent bank to its order, no later than 5 p.m. (Luxembourg time) on the third Business Day following the relevant Dealing Date (the "Payment Date"). In case payment has not been received by this cut-off time, subject to the Board's discretion, subscriptions will be rejected and payment will be returned at the risk of the Investor. If payment for a subscription is made before the Payment Date and the Fund incurs negative interest charges, the Fund may request compensation from the Investor to offset these charges.

### **30. Redemption and Settlement Period**

Shares may be redeemed on any Dealing Date at a price based on the Net Asset Value per Share determined as of the relevant Valuation Date. As outlined in the Fund's partial swing pricing policy described in the section of this Prospectus entitled "DETERMINATION OF NET ASSET VALUE", the Net Asset Value of the 2034 Fund may be adjusted on a Valuation Date when the 2034 Fund experiences significant net subscriptions or redemptions.

Application for redemption must be received by the Registrar and Transfer Agent not later than 5 p.m. (Luxembourg time) on the applicable Dealing Date on which the relevant Shares are to be redeemed. Shareholders must maintain a minimum holding amount as described in the list of available Classes described in section 5 (*Classes of Shares*) of this Appendix.

If the 2034 Fund receives requests for one Dealing Date for net redemptions (and conversions) of more than 10 per cent. in aggregate of the net asset value of the 2034 Fund, the 2034 Fund may elect to reduce each redemption (and conversion) request pro rata such that the aggregate amount redeemed in that Dealing Date will not exceed 10 per cent. of the net asset value of the 2034 Fund. Any amount which, by virtue of this limitation, is not redeemed shall be carried forward for redemption (or conversion) on the next Dealing Date. Requests carried forward shall be subject to this same limitation as applied to net redemption (and conversion) requests received on the subsequent Dealing Date, with no priority given based on time of receipt of the request. Investors will be notified if their redemption request is deferred.

Subject to the Board's discretion and as provided in the section of this Prospectus entitled "ISSUE AND REDEMPTION OF SHARES", any applications received after the applicable deadline will be processed in respect of the next Dealing Date.

Payment of redemption proceeds will be generally effected within three Business Days following the relevant Dealing Date.

### **31. Conversion and Conversion Time Limit**

Save as otherwise provided, Shares relating to other Sub-Funds of the Fund or in other Classes of the 2034 Fund may be converted into any Class of the 2034 Fund on any day which is a Dealing Date for both Sub-Funds concerned, subject to fulfilling the relevant eligibility criteria. Completed requests for conversions into



any Share Class of the 2034 Fund must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time), three Business Days prior to the relevant Dealing Date for both Sub-Funds concerned, and will be dealt with at the calculated price on the relevant Valuation Date. Requests received after this time shall be deferred to the following Dealing Date for both Sub-Funds concerned.

Investors seeking to convert Shares of the 2034 Fund into Shares of another Sub-Fund should review, and their conversion request shall comply with, the relevant conversion time limits for that Sub-Fund.

As outlined in the Fund's partial swing pricing policy described in the section of this Prospectus entitled "DETERMINATION OF NET ASSET VALUE", the Net Asset Value of the 2034 Fund may be adjusted on a Valuation Date when the 2034 Fund experiences significant net subscriptions or redemptions.

## **32. Fees and Expenses**

### ***AIFM Fee***

The AIFM is entitled to receive an annual fee of up to 0.06 per cent. of the net asset value of the 2034 Fund, subject to a minimum fee of Euro 15,000 per annum. This fee is calculated as the average of the month-end net asset value of the previous quarter and is invoiced quarterly in arrears.

### ***Investment Management Fee***

The AIFM will further receive an Investment Management Fee directly from the 2034 Fund in respect of the Class I Shares, at an annual rate of 0.10 per cent. of the 2034 Fund's net asset value attributable to the outstanding Class I Shares.

### ***Performance Fee***

No performance fee will be charged (unless agreed separately in respect of Class X or Class Y Shares).

### ***Subscription Charge***

No subscription charge will be levied.

### ***Redemption Charge***

No redemption charge will be levied.

### ***Conversion Charge***

No conversion charge will be levied.

## **Administrative Agent, Domiciliary Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Paying Agent and Depositary Fees**

The 2034 Fund pays a combined fee monthly in arrear at a maximum of 0.2 per cent. of its net asset value to BBH, for its rendering of services as Administrative Agent, Corporate Agent, Listing Agent, Registrar and Transfer Agent, Domiciliary Agent, Paying Agent and Depositary.

The actual amounts of these fees are disclosed in the financial reports.

### ***TER***

To the extent that the TER per Class exceeds a percentage designated by the AIFM in consultation with the Board during any financial year, the excess amount above such percentage shall be paid by the AIFM or an affiliate of the AIFM.

The designated percentage per Class and the actual amounts of these expenses will be disclosed in the financial reports and are otherwise available on request from BBH.

### **33. Duration of the 2034 Fund**

The 2034 Fund is intended to have a fixed term of up to 10 years and 2 months, ending on a date determined by the Investment Manager at its discretion (the “**Maturity Date**”).

On the Maturity Date, the Shares in the 2034 Fund will be redeemed in accordance with the redemption provisions set out in this Appendix and the Prospectus as if each Shareholder had submitted a redemption request prior to the Maturity Date, requesting redemption in full on the Maturity Date. The Maturity Date shall be a date in 2034 however the exact date in 2034 remains to be determined and investors will be notified at least 30 calendar days in advance of the Maturity Date.

## **APPENDIX V – Information for investors in Switzerland**

The documentation of the Fund has not been, will not be approved, and may not be able to be approved by the Swiss Financial Market Supervisory Authority ("FINMA") for offer to non-qualified investors pursuant to Article 120 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA") and its implementing ordinance. Investors will not benefit from protection provided under the CISA or supervision by FINMA. Accordingly, the documentation of the Fund may only be provided to qualified investors as defined in the CISA and its implementing ordinance ("Qualified Investors").

Shares may be freely offered, distributed, sold, on-sold and this document may be freely circulated exclusively to the following Qualified Investors: regulated financial intermediaries (such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks) and regulated insurance companies.

Shares may only be offered, distributed, sold or on-sold and this Prospectus may only be circulated to other Qualified Investors if the Fund, or as the case may be, the AIFM has appointed a representative ("Representative") and a paying agent ("Paying Agent") in Switzerland. Therefore, legal advice should generally be sought before providing this Prospectus to anyone and/or offering, distributing, selling or on-selling Shares.

This Prospectus does not constitute an issuance prospectus pursuant to Article 35 of the Swiss Financial Services Act (FinSA) and may not comply with the information standards required thereunder. Shares will not be listed on the SIX Swiss Exchange, and consequently, the information presented in this Prospectus does not necessarily comply with the information standards set out in the relevant listing rules. This Prospectus does not constitute investment advice. It may only be used by those persons to whom it has been conveyed in connection with the Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

### *Representative*

The Representative in Switzerland is CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon, Switzerland.

### *Paying Agent*

The Paying Agent in Switzerland is CACEIS Bank, Paris, Nyon Branch / Switzerland, Route de Signy 35, CH-1260 Nyon, Switzerland.

### *Location where the relevant documents may be obtained*

The Prospectus, the Articles as well as the annual and semi-annual reports may be obtained free of charge from the Representative.

### *Place of performance and jurisdiction*

In respect of the Shares offered in Switzerland to Qualified Investors, the place of performance is the registered office of the Representative. The place of jurisdiction is at the registered office of the Representative or at the registered office or place of residence of the Investor.

## APPENDIX VI - SUSTAINABLE FINANCE DISCLOSURE AND TAXONOMY REGULATIONS

### Sustainability Risks

Sustainability risks are ESG 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 and include, among others, the following: (i) environmental factors, including greenhouse gas emissions, energy, water management, hazardous materials and waste, and ecological impact, and (ii) social factors including data security and privacy, community relations, labour practices and worker rights, and worker and operational safety.

The AIFM has delegated portfolio management responsibilities for the Sub-Fund to the Investment Manager. Where relevant, the Investment Manager integrates financially material sustainability risks and opportunities into their respective investment decision-making processes in order to enhance their ability to manage risk more comprehensively and generate sustainable, long-term returns for investors. The integration of sustainability risks in the investment decision-making process is therefore crucial for better risk management and captures important issues that may be mispriced, and when combined with serving as responsible stewards of the assets of the Sub-Funds, ultimately leads to better outcomes for the Sub-Funds. Sustainability risk is considered and integrated at the firm, product and strategy level. Please see the section entitled "Our Investment Approach" in the Investment Manager's "Sustainability Risk Policy", available under [allspringglobal.com](https://allspringglobal.com), as required under Article 3 of the SFDR. Shareholders may request a copy from the Fund or the Investment Manager. Shareholders may also request a copy of the AIFM's sustainability risk policy from the AIFM.

The following outlines the results of the Investment Manager's assessment of sustainability risk for the Sub-Funds:

#### *Article 6 Sub-Funds (sustainability risks integrated): European Loans Fund and Senior Secured Fund*

While the Sub-Funds have access to both internal and external ESG research and integrate financially material sustainability risks into their investment decision-making processes (i.e. sustainability risks are integrated within the meaning of Article 6 of the SFDR), ESG-related factors are considered but are not determinative, permitting the Investment Manager to invest in issuers that do not embrace ESG; as such, sustainability risks may have a more material impact on the value of the Sub-Funds' investments in the medium to long term.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

#### *Article 8 Sub-Funds: Climate Transition Buy and Maintain Plus 2025-2029 Fund and Climate Transition Buy and Maintain Plus 2030-2034 Fund*

Each Sub-Fund has access to both internal and external ESG research and integrates financially material sustainability risks into its investment decision-making process. The sustainability risks that each Sub-Fund may be subject to may have an impact on the value of its investments in the medium to long term.

### Principal Adverse Impacts (PAIs)

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

The following outlines the results of the AIFM's assessment of principal adverse impacts in relation to the European Loans Fund and Senior Secured Fund:

For the Sub-Funds, certain principal adverse impacts on sustainability factors are considered as part of the Investment Manager's ESG and investment evaluation. Principal adverse impacts are also considered as part of the Investment Manager's engagement model, whereby the Investment Manager engages with issuers on any of these indicators, and tracks, as appropriate, to monitor for signs of improvement.

The consideration of principal adverse impacts, however, is not the sole driver of an investment decision, but rather one of several inputs considered during investment analysis. Consequently, such consideration of principal adverse impacts may not result in securities being excluded, smaller positions being held, or positions being reduced.

Information on principal adverse impacts on sustainability factors will be made available in ongoing periodic reports.

## SFDR regulatory technical standards (RTS) Disclosure Requirements

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

PRODUCT NAME: **Climate Transition Buy and Maintain Plus 2025-2029 Fund** (the “Sub-Fund”)

LEGAL ENTITY IDENTIFIER: 2549000ONTLKQSLNTBB85

### Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ Yes ☐

- ☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_\_ %
- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_\_ %

☒ ☐ No ☒

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_\_ % of sustainable investments
- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**

#### Sustainable investment

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

This Sub-Fund promotes the following environmental and/or social characteristics:

- Promotion of decarbonisation with a target of net zero by 2050 by tilting the Sub-Fund’s exposure to companies that are better positioned to contribute to climate transition.
- Applying the Sub-Fund-specific set of exclusions as set out in the Sub-Fund’s Sustainability-Related Disclosures found at <https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies>:

Through use of a negative screening process, the Sub-Fund seeks to exclude securities issued by, but not limited to, companies that:

- are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment, and anti-corruption, or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- have exposure to controversial weapons, such as (but not limited to) biological, chemical, cluster and nuclear weapons, and anti-personnel mines;
- receive revenue from oil sands extraction; and
- receive revenue, exceeding a revenue threshold, from specific excluded activities, such as, but not limited to civilian small arms, tobacco and thermal coal (the “Excluded Investments”).

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund.

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

E/S CHARACTERISTICS PROMOTED	SUSTAINABILITY INDICATORS USED
Promotion of decarbonisation with a target of net zero by 2050 by investing in companies that are better positioned to contribute to climate transition.	Climate transition scores assigned to companies under the Allspring proprietary Climate Transition Framework (the “Framework”)*.
Applying the Sub-Fund-specific set of exclusions as set out in the Sub-Fund’s Sustainability-Related Disclosures found at <a href="https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies">https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies</a>	Data on company violations of global norms and on company involvement in controversial products and business activities, obtained from a third-party data provider

\* Under the Framework, companies are assigned climate transition scores which are designed to measure how such companies affect decarbonisation and vice versa. The climate transition scores are grounded in valuation implications by mapping material climate risks to the relevant companies’ economic balance sheets grouped into four pillars: Strategy and Governance, Asset and Operating Position, Financial Profile, and Macroeconomic Position. The scores are comparable across industries and range from 1 (fundamentally negative) to 4 (fundamentally positive), with a score of 2 representing neutral positioning. The portfolio of the Sub-Fund is intended to promote decarbonization by tilting exposure to companies that are better positioned to contribute to climate transition. Accordingly, only companies that score 2 or above at the time of purchase will be eligible for inclusion. Unrated securities will not be eligible for inclusion in the Sub-Fund. Sovereign issuers, cash, derivatives and investments in underlying funds will not be required to have a climate transition score.

- What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable for this Sub-Fund.

- How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable for this Sub-Fund.

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

Not applicable for this Sub-Fund.

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

Not applicable for this Sub-Fund.

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

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



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

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

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

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



☒ Yes

☐ No

Certain principal adverse impacts on sustainability factors are considered as part of the Investment Manager’s ESG and investment evaluation. Certain principal adverse impacts are also considered as part of the Investment Manager’s engagement model, whereby the Investment Manager engages with issuers on any of these indicators, and tracks, as appropriate, to monitor for signs of improvement.

The consideration of principal adverse impacts, however, is not the sole driver of an investment decision, but rather one of several inputs considered during investment analysis. Consequently, such consideration of principal adverse impacts may not result in securities being excluded, smaller positions being held, or positions being reduced.

From a binding perspective, consideration of certain principal adverse impacts on sustainability factors is relevant as part of the product’s exclusionary process, in which certain companies are excluded from the portfolio by design. Please see the environmental/social characteristics detailed above for more information on “Excluded Investments” for the Sub-Fund.

Information on principal adverse impacts on sustainability factors will be made available in ongoing periodic reports.



## What investment strategy does this financial product follow?

The investment strategy used to attain the environmental or social characteristics promoted by the Sub-Fund is detailed under the “Investment Policies and Strategies” section for the Sub-Fund in APPENDIX III – Climate Transition Buy and Maintain Plus 2025-2029 Fund.

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

### E/S CHARACTERISTICS PROMOTED

Promotion of decarbonisation with a target of net zero by 2050 by investing in companies that are better positioned to contribute to climate transition.

### BINDING ELEMENTS OF THE INVESTMENT STRATEGY USED TO SELECT INVESTMENTS

Only companies with climate transition scores of 2 or above under the Framework at the time of purchase will be eligible for inclusion in the Sub-Fund’s portfolio. Unrated securities will not be eligible for inclusion in the Sub-Fund. Sovereign issuers, cash, derivatives and investments in underlying funds will not be required to have a climate transition score. Existing holdings that are downgraded below the minimum climate transition score will require engagement with the relevant company with the objective of the company addressing the cause of the downgrade and the potential steps to address the underlying issue(s). Should the Investment Manager believe progress toward addressing the underlying issue(s) has not been achieved within one year, the position will be sold.

Applying the Sub-Fund-specific set of The Investment Manager will exclude the “Excluded

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

exclusions as set out in the Sub-Fund's Investments" detailed above.  
Sustainability-Related Disclosures found at  
<https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies>

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

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

Not applicable as this Sub-Fund does not make any commitment in this respect.

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

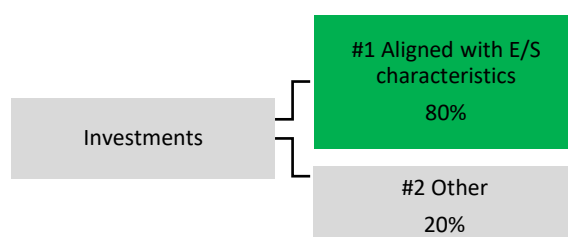
The Investment Manager's policy is to incorporate and emphasise the assessment of good governance practices of investee companies in their proprietary ESG risk scores and assessment. The Investment Manager believes that sound governance can mitigate environmental and social risks, while the reverse or poor governance can exacerbate environmental and social risks.



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

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

The planned asset allocation of the investments of the Sub-Fund will be at least 80% in alignment with the environmental/social characteristics promoted. In addition to the environmental and social characteristics promoted, the Investment Manager may use derivatives for hedging, efficient portfolio management, or investment, and may utilise cash or cash-like instruments in line with regulatory guidelines relating to ancillary liquid assets, collectively, of up to 20% of the Sub-Fund's investments. This has been represented in the graph below as: #1 "Aligned with E/S Characteristics" to reflect the proportion of investments that align with the environmental/ social characteristics promoted, i.e. at least 80%, and #2 Other to reflect that up to 20% of investments may be allocated to assets for hedging, efficient portfolio management, investment and/or ancillary liquidity purposes as permitted by law and regulatory guidance.



**#1 Aligned with E/S characteristics** includes the investments of the Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

**#2 Other** includes the remaining investments of the Sub-Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The Sub-Fund can use derivatives for hedging or efficient portfolio management and/or for investment purposes. Derivatives are not used to attain the environmental or social characteristics promoted by the Sub-Fund.



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

The minimum alignment is 0%.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

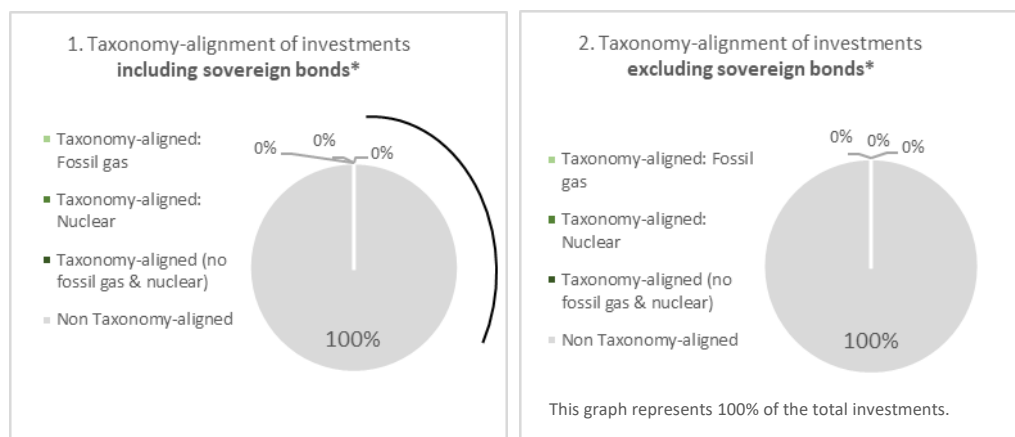
☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

The two graphs below show 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 Sub-Fund including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the Sub-Fund 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?

The minimum alignment is 0%.

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



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

The minimum alignment is 0%.



What is the minimum share of socially sustainable investments?

The minimum alignment is 0%.



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

The investments in “#2 Other” include 1) futures, forward contracts, options, or swap agreements, as well as other derivatives, which may be held for hedging, efficient portfolio management, or investment, and 2) cash and/or cash-like instruments, which may be held for ancillary liquidity purposes. There are no minimum environmental or social safeguards applied to these investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No index has been designated as a reference benchmark to determine whether this Sub-Fund is aligned with the environmental and/or social characteristics that it promotes).

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

Per above, this is not applicable.

- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?  
Per above, this is not applicable.
- How does the designated index differ from a relevant broad market index?  
Per above, this is not applicable.
- Where can the methodology used for the calculation of the designated index be found?  
Per above, this is not applicable.



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

More product-specific information can be found at  
<https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies>

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

PRODUCT NAME: **Climate Transition Buy and Maintain Plus 2030-2034 Fund** (the “Sub-Fund”)

LEGAL ENTITY IDENTIFIER: 254900V1IVWRVNU8LA87

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ Yes ☐

- ☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_\_ %
- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

- ☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_\_ %

☒ ☐ No ☒

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_\_ % of sustainable investments
- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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



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

This Sub-Fund promotes the following environmental and/or social characteristics:

- Targeting an overall carbon intensity for the portfolio at inception that is at least 30% lower than the benchmark, the Bloomberg Global Aggregate Corporate Total Return Index Hedged GBP, and, prior to the commencement of the Paydown Period, managing assets such that the decarbonisation profile will decline annually with a trajectory, with the aim to decarbonise by 2050.
- Promotion of decarbonisation with a target of net zero by 2050 by tilting the Sub-Fund’s exposure to companies that are better positioned to contribute to climate transition.
- Applying the Sub-Fund-specific set of exclusions as set out in the Sub-Fund’s Sustainability-Related Disclosures found at <https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies>:

Through use of a negative screening process, the Sub-Fund seeks to exclude securities issued by, but not limited to, companies that:

- are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment, and anti-corruption or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- have exposure to controversial weapons, such as (but not limited to) biological, chemical, cluster and nuclear weapons, and anti-personnel mines;
- receive revenue from oil sands extraction; and
- receive revenue, exceeding a revenue threshold, from specific excluded activities, such as, but not limited to civilian small arms, tobacco and thermal coal (the “Excluded Investments”).

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund.

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

E/S CHARACTERISTICS PROMOTED	SUSTAINABILITY INDICATORS USED
Targeting an overall carbon intensity for the portfolio at inception that is at least 30% lower than the benchmark*, and, prior to the commencement of the Paydown Period, managing assets such that the decarbonisation profile will decline annually with a trajectory, with the aim to decarbonise by 2050	Climate-related data from an independent third party
Promotion of decarbonisation with a target of net zero by 2050 by investing in companies that are better positioned to contribute to climate transition.	Climate transition scores assigned to companies under the Allspring proprietary Climate Transition Framework (the “Framework”)**.
Applying the Sub-Fund-specific set of exclusions as set out in the Sub-Fund’s Sustainability-Related Disclosures found at <a href="https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies">https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies</a>	Data on company violations of global norms and on company involvement in controversial products and business activities, obtained from a third-party data provider

\* Carbon intensity is a measure of total emissions divided by revenue.

\*\* Under the Framework, companies are assigned climate transition scores which are designed to measure how such companies affect decarbonisation and vice versa. The climate transition scores are grounded in valuation implications by mapping material climate risks to the relevant companies’ economic balance sheets grouped into four pillars: Strategy and Governance, Asset and Operating Position, Financial Profile, and Macroeconomic Position. The scores are comparable across industries and range from 1 (fundamentally negative) to 4 (fundamentally positive), with a score of 2 representing neutral positioning. The portfolio of the Sub-Fund is intended to promote decarbonisation by tilting exposure to companies that are better positioned to contribute to climate transition. Accordingly, only companies that score 2 or above at the time of purchase will be eligible for inclusion. Unrated securities will not be eligible for inclusion in the Sub-Fund. Sovereign issuers, cash, derivatives and investments in underlying funds will not be required to have a climate transition score.

- What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable for this Sub-Fund.

- How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

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

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

Not applicable for this Sub-Fund.

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

Not applicable for this Sub-Fund.

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

Not applicable for this Sub-Fund.

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

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

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



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

☒ Yes

☐ No

Certain principal adverse impacts on sustainability factors are considered as part of the Investment Manager’s ESG and investment evaluation. Certain principal adverse impacts are also considered as part of the Investment Manager’s engagement model, whereby the Investment Manager engages with issuers on any of these indicators, and tracks, as appropriate, to monitor for signs of improvement.

The consideration of principal adverse impacts, however, is not the sole driver of an investment decision, but rather one of several inputs considered during investment analysis. Consequently, such consideration of principal adverse impacts may not result in securities being excluded, smaller positions being held, or positions being reduced.

From a binding perspective, consideration of certain principal adverse impacts on sustainability factors is relevant as part of the product’s exclusionary process, in which certain companies are excluded from the portfolio by design. Please see the environmental/social characteristics detailed above for more information on “Excluded Investments” for the Sub-Fund.

Information on principal adverse impacts on sustainability factors will be made available in ongoing periodic reports.



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

What investment strategy does this financial product follow?

The investment strategy used to attain the environmental or social characteristics promoted by the Sub-Fund is detailed under the “Investment Policies and Strategies” section for the Sub-Fund in [APPENDIX III – Climate Transition Buy and Maintain Plus 2030-2034 Fund](#).

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

E/S CHARACTERISTICS PROMOTED

BINDING ELEMENTS OF THE INVESTMENT STRATEGY USED TO SELECT INVESTMENTS

Targeting an overall carbon intensity for the portfolio at inception that is at least 30% lower than the benchmark, and, prior to the commencement of the Paydown Period, managing assets such that the decarbonisation profile will decline annually with a trajectory,

Securities are selected based on a climate transition assessment and the overall portfolio climate targets



with the aim to decarbonise by 2050

Promotion of decarbonisation with a target of net zero by 2050 by investing in companies that are better positioned to contribute to climate transition.

Only companies with climate transition scores of 2 or above under the Framework at the time of purchase will be eligible for inclusion in the Sub-Fund's portfolio. Unrated securities will not be eligible for inclusion in the Sub-Fund. Sovereign issuers, cash, derivatives and investments in underlying funds will not be required to have a climate transition score. Existing holdings that are downgraded below the minimum climate transition score will require engagement with the relevant company with the objective of the company addressing the cause of the downgrade and the potential steps to address the underlying issue(s). Should the Investment Manager believe progress toward addressing the underlying issue(s) has not been achieved within one year, the position will be sold.

Applying the Sub-Fund-specific set of exclusions as set out in the Sub-Fund's Sustainability-Related Disclosures found at <https://www.allspringglobal.com/corporate/policies/sustainable-investing-policies>

The Investment Manager will exclude the "Excluded Investments" detailed above.

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

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

Not applicable as this Sub-Fund does not make any commitment in this respect.

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

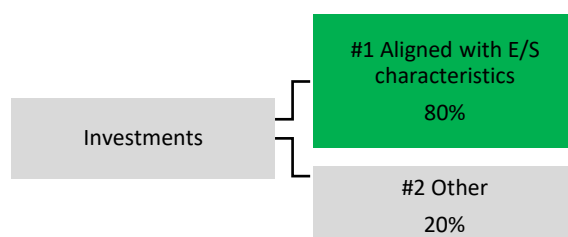
The Investment Manager's policy is to incorporate and emphasise the assessment of good governance practices of investee companies in their proprietary ESG risk scores and assessment. The Investment Manager believes that sound governance can mitigate environmental and social risks, while the reverse or poor governance can exacerbate environmental and social risks.



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

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

The planned asset allocation of the investments of the Sub-Fund will be at least 80% in alignment with the environmental/social characteristics promoted. In addition to the environmental and social characteristics promoted, the Investment Manager may use derivatives for hedging, efficient portfolio management, or investment, and may utilise cash or cash-like instruments in line with regulatory guidelines relating to ancillary liquid assets, collectively, of up to 20% of the Sub-Fund's investments. This has been represented in the graph below as: #1 "Aligned with E/S Characteristics" to reflect the proportion of investments that align with the environmental/ social characteristics promoted, i.e. at least 80%, and #2 Other to reflect that up to 20% of investments may be allocated to assets for hedging, efficient portfolio management, investment and/or ancillary liquidity purposes as permitted by law and regulatory guidance.



**#1 Aligned with E/S characteristics** includes the investments of the Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

**#2 Other** includes the remaining investments of the Sub-Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



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

The Sub-Fund can use derivatives for hedging or efficient portfolio management and/or for investment purposes. Derivatives are not used to attain the environmental or social characteristics promoted by the Sub-Fund.



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

The minimum alignment is 0%.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

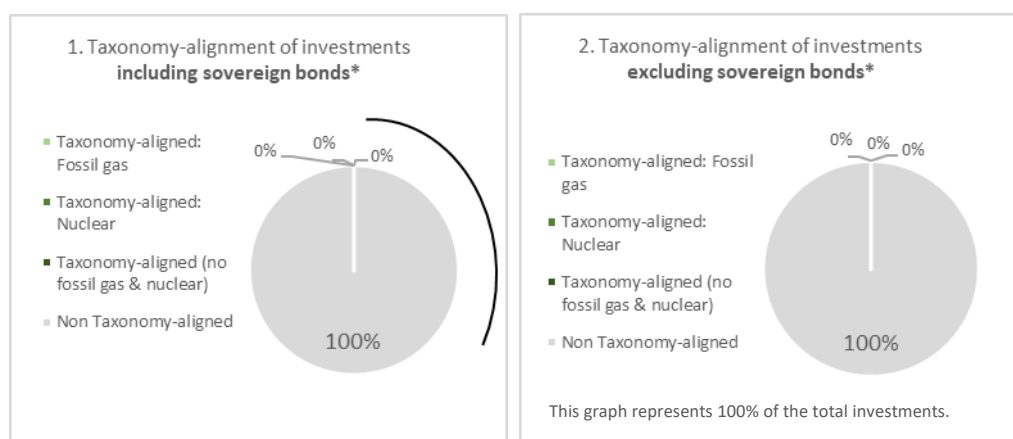
☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

The two graphs below show 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 Sub-Fund including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the Sub-Fund 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?

The minimum alignment is 0%.

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



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

The minimum alignment is 0%.



What is the minimum share of socially sustainable investments?

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

Per above, this is not applicable.

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

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

Per above, this is not applicable.

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

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