

# MONOCLE FUND SICAV

Open-ended Investment Company  
with multiple compartments  
Luxembourg

## PROSPECTUS

**Subscriptions to the shares of MONOCLE FUND SICAV are only valid if they are made on the basis of the current Prospectus, accompanied by the latest annual report and the latest half-yearly report, if this is more recent than the annual report, the Articles of Association and on the basis of the Key Information Document(s) ("PRIIPs KID"). The PRIIPs KID is a pre-contractual document that contains key information for investors. It includes appropriate information on the essential characteristics of each class of shares of the SICAV.**

**No one may refer to any information other than that contained in this prospectus (the "Prospectus") and in the documents mentioned therein and available for public inspection.**

**JANUARY 2024**

## DISCLAIMER

**The official language of the Prospectus is French. The translation of this document is a free translation. In the event of any discrepancies between the French text and the English into which the Prospectus is translated, the French text shall prevail.**

# MONOCLE FUND SICAV

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**MONOCLE FUND SICAV**  
Open-ended Investment Company  
R.C.S. Luxembourg N° B 189329

**Head Office** 5, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

**Board of Directors**

**President** **Charles Monot**  
Chief executive  
France

**Administrators** **Jean-Bernard Quillon**  
Manager, Agama Advisors  
Grand Duchy of Luxembourg

**Sandrine Dubois**  
Independent Director  
Grand Duchy of Luxembourg

**Management Company** MONOCLE ASSET MANAGEMENT  
15 Rue Monsigny  
75002 Paris  
France

**Directors of the management company** Charles Monot, Chief Executive Officer  
Mimoza Bogeska, Managing Director

**Custodian Bank** CREDIT SUISSE (LUXEMBOURG) S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

**Domiciliary Agent, Administrative Agent, Transfer Agent and Registrar** CREDIT SUISSE FUND SERVICES  
(LUXEMBOURG) S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

**Company Auditor**

GRANT THORNTON AUDIT  
ASSURANCE  
13 Rue de Bitbourg  
L-1273 Luxembourg

## WARNING

**MONOCLE FUND SICAV** (hereinafter the "SICAV") is an open-ended investment company with multiple sub-funds governed by Luxembourg law, subject to Part I of the amended law of 17 December 2010 on Undertakings for Collective Investment ("UCIs") as amended (hereinafter the "2010 Law") and registered on the official list of UCIs in accordance with the 2010 Law.

This registration should under no circumstances and in any form whatsoever be considered as a positive assessment by the Commission de Surveillance du Secteur Financier ("CSSF") of the quality of the securities offered for sale.

The SICAV is authorised as an undertaking for collective investment in transferable securities ("UCITS") in Luxembourg in accordance with the provisions of Part I of the 2010 Law transposing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"). In this respect, the SICAV may market its shares in the States of the European Union ("E.U.") provided that the laws, regulations and administrative provisions in force in these States, which are not governed by the 2010 Law, are respected.

The SICAV operates as an open-ended investment company, i.e. its shares may be sold and redeemed at regular intervals at a price based on the value of its net assets and is a multiple sub-fund company under Article 181 of the 2010 Law.

The Board of Directors of the SICAV (hereinafter referred to as the "Board of Directors") has taken all possible precautions to ensure that the facts set out in the Prospectus are accurate and precise and that there are no material facts the omission of which could render any of the statements set out herein incorrect.

The Board of Directors assumes responsibility for the accuracy of the information contained in the Prospectus on the date of publication. Consequently, any information or statement not contained in the Prospectus, in the appendices to the Prospectus, if any, in the Articles of Association as defined below, in the Key Information Document(s) ("PRIIP's KID" or in the reports that form an integral part thereof, shall be considered unauthorized.

Any information or representation made by a broker, seller or any other person, not contained in this Prospectus, the Articles of Association, the PRIIPs KID or in the reports forming an integral part thereof, must be considered unauthorised and consequently not reliable.

Neither the delivery of this Prospectus nor the offer, issue or sale of shares of the SICAV constitutes an affirmation that the information given in this Prospectus will at all times be accurate after the date of the Prospectus. This Prospectus may be updated. It is therefore recommended that any potential subscriber should enquire with the SICAV about the possible publication of a more recent Prospectus.

The Prospectus may not be used for the purpose of a public offer or solicitation of sale in any other jurisdiction and in any circumstances where such an offer or solicitation is not authorized. Any potential subscriber of shares receiving a copy of the Prospectus or the subscription form in a jurisdiction other than those described above may not consider such documents as an invitation to purchase or subscribe the shares, unless in such jurisdiction such invitation may be made in full legality, without registration or other terms, or except for such person to comply with the legislation in force in the jurisdiction concerned, to obtain any required governmental or other authorizations, and to submit to all applicable formalities, if any. It is necessary to check before any subscription in which country(ies) the SICAV is registered and more particularly which sub-funds, categories or classes of shares are authorised for marketing, as well as any legal and exchange restrictions relating to the subscription, purchase, possession or sale of the SICAV's shares.

No steps have been taken under the Investment Company Act of 1940, its amendments or any other securities law to register the SICAV or its securities with the US Securities and Exchange Commission. This Prospectus may not therefore be introduced, transmitted or distributed in the United States of America or its territories or possessions, and delivered to a "**US Person**" which may be defined as follows and which may include (i) a "United States person" as defined in section 7701(a)(30) of the 1986 U.S. Internal Revenue Code, as amended (the "Code"), (ii) a "U.S. Person", as defined in Regulation S of the 1933 Act, as amended, (iii) a person who is "in the United States" as defined in Regulation 202(a)(30)-1 of the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person who is not a "Non-United States Person" as defined in the U.S. Commodities Futures Trading Commission Rule 4.7, except in transactions exempt from registration under the Securities Act of 1933 or the Foreign Account Tax Compliance Act ("FATCA"). Any failure to comply with these restrictions may constitute a violation of U.S. securities laws.

The Organisation for Economic Co-operation and Development ("OECD") has been mandated by the G8 / G20 countries to develop a global reporting standard to achieve a comprehensive and multilateral automatic information exchange (AEOI) on a global basis in the future.

A number of jurisdictions have entered into or are engaged in the conclusion of intergovernmental agreements for the automatic cross-border exchange of tax information similar to the IGA between the United States and Luxembourg, including, in particular, under a regime known as the OECD Common Reporting Standard ("CRS").

In October 2014, Luxembourg became a signatory to the OECD Multilateral Convention on the CRS with various jurisdictions. Luxembourg has committed itself, together with about 50 other countries, to the early implementation of the CRS, with 2016 as the first reporting year and the start of reporting obligations in 2017.

The Common Reporting Standard (CRS) is an international standard method to improve transparency and the automatic exchange of tax information. In this context, the SICAV has the status of an "Exempt Collective Investment Vehicle". Reportable persons are therefore prohibited from subscribing directly to the SICAV's register.

The term "reportable person" refers to a person from a Member State other than: (i) a company whose share is regularly traded on one or more regulated securities markets; (ii) any legal entity that is a related entity of a company referred to in paragraph (i); (iii) a government entity; (iv) an international organization; (v) a central bank; or (vi) a financial institution.

The "reportable persons" are: (i) persons residing in an EU country other than Luxembourg, (ii) non-financial entities residing in an EU country other than Luxembourg or (iii) non-financial entities controlled by persons residing in an EU country other than Luxembourg.

Shares in the Fund may not be offered or sold to "**Unauthorised Persons**". The term "**Unauthorised Persons**" means any person, corporation, limited liability company, trust, partnership, estate or other legal entity if, in the sole opinion of the Management Company, such person's holding of shares of the Fund could be detrimental to the existing shareholders of the Fund, or if such holding is likely to result in the violation of any law or regulation of Luxembourg or any other State, or if, by reason of such holding the sub-fund or any subsidiary or investment structure (as the case may be) could be subject to tax or other adverse legal, regulatory or administrative treatment, fines or penalties to which it would not otherwise be subject or, if, as a result of such holding, the relevant sub-fund or any subsidiary or investment structure (as the case may be) could be required to comply with any registration or reporting requirements in any jurisdiction with which it would not otherwise be required to comply. The term "Unauthorised Persons" includes (i) any investor who does not fit the profile described in the Prospectus, (ii) any U.S. Person or (iii) any person who has been unable to provide information or make representations required by the Management Company, if any, or the Fund within one calendar month of being requested to do so.

The Board of Directors will require the immediate redemption of shares purchased or held by Unauthorised Persons, including by investors who would have become Unauthorised Persons after the acquisition of the shares.

Investors are required to notify the SICAV and/or the Transfer Agent and Registrar i) if they become Unauthorised Persons, or ii) if they hold shares of the SICAV in violation of any legal/regulatory provisions, the Prospectus or the SICAV's Articles of Association, or iii) any circumstances that may have tax or legal/regulatory consequences for the SICAV or the shareholders, or that may otherwise be adverse to the interests of the SICAV or other shareholders.

The SICAV draws the attention of investors to the fact that any investor may only fully exercise his investor rights directly against the SICAV, in particular the right to participate in general meetings of shareholders, if the investor appears himself and on his behalf in the SICAV's share register. In cases where an investor invests in the SICAV through an intermediary investing in the SICAV in his own name but on behalf of the investor, certain rights attached to the status of shareholder may not necessarily be exercised by the investor directly vis-à-vis the SICAV. It is recommended that the investor inquire about his or her rights.

Investments in the SICAV involve risks, including those related to equity and bond markets, currency exchange rates and interest rate volatility. There can be no assurance that the SICAV will achieve its objectives.

**The value of the Fund's capital and investment income is subject to fluctuations and investors may not recover the amount initially invested. Moreover, past performance does not prejudice future results.**

Before investing in the SICAV or in the event of any doubt as to the risks associated with an investment in the SICAV or as to the suitability of a sub-fund for the investor's risk profile in view of his or her personal situation, investors are invited to consult their own financial, legal and tax advisors in order to determine whether an investment in the SICAV is suitable for them and to request their assistance in order to be fully informed of any legal or tax consequences, or any consequences relating to exchange restrictions or controls to which the subscription, holding, redemption, conversion or transfer of shares may give rise under the laws in force in the countries of residence, domicile or establishment of these persons.

Any reference in the Prospectus to:

- "Euro" or "EUR" refers to the currency of the EU Member States participating in the single currency.
- "Business day" refers to each day of the week on which banks are open in Luxembourg (Saturdays and statutory or bank holidays excepted).

Investors should be aware that all investments involve risk and that no guarantee can be given against losses arising from an investment in any sub-fund of the SICAV. In addition, it cannot be guaranteed that the objective set by the SICAV within each of its sub-funds will be achieved. No assurance can be given as to the future results or future returns of the SICAV or its sub-funds, **either by the SICAV itself or by one of the SICAV's directors, its authorised representatives, the Management Company or the financial managers.**

**This Prospectus is published in connection with a public offer of shares of the SICAV. Each decision to subscribe for shares must be made on the basis of the information contained in this Prospectus, which is published by the SICAV, and in the SICAV's most recent annual report and semi-annual report(s), which are available at the SICAV's registered office.**

### **Processing of personal data**

In accordance with applicable Luxembourg data protection laws and regulations, including, but not limited to, Regulation No. 2016/679 of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data ("GDPR"), hereinafter referred to as the "**Data Protection Laws**", in that such applicable laws and regulations may be revised from time to time, the Management Company is the data controller (hereinafter the "Data Controller"). The Data Controller carries out the processing of information concerning personal data provided by investors and/or potential investors.

## **Categories of personal data processed**

Any personal data, as defined by the Data Protection Laws, provided in the context of an investment (hereinafter referred to as "**personal data**") and relating to investors, prospective investors or any other natural person involved in or affected by the Fund's business relationship with investors (including, but not limited to, any representative, contact person, agent, service provider, person holding a power of attorney, beneficial owner and/or any other related person) may be processed by the Data Controller. The personal data collected may thus include - but is not limited to - name, e-mail address, postal address, date and/or place of birth, marital status, country of residence, identity card or passport, tax identification number and tax status, bank details and contact details, including account number and balance, CV, amount invested and origin of funds.

For legal entities, personal data of directors and employees, whose details have been provided for the purpose of concluding and executing a contract to subscribe to the Fund's products, may be collected.

## **Purpose of processing**

Personal data may be processed for the following purposes (the "**purposes**"):

- I. To ensure the proper performance of the contract to which the investor is a party:

This includes, without limitation, the provision of investor-related services, the administration of holdings in the Fund, the processing of subscriptions/redemptions, conversions and transfers, the maintenance of the shareholder register, the management of distribution channels, the sending of notifications, information and communications and, more generally, the execution of service requests in accordance with the investor's instructions.

- II. For compliance with legal and/or regulatory obligations:

This includes (without limitation) compliance:

- With legal and/or regulatory obligations such as anti-money laundering and combating the financing of terrorism, protection against late trading and market timing practices and accounting obligations;
- With identification and reporting obligations under the Foreign Account Tax Compliance Act ("**FATCA**") and other comparable requirements under national or international tax information exchange mechanisms, such as the Organisation for Economic Co-operation and Development ("**OECD**") and the EU standards on transparency and automatic exchange of information on financial accounts for tax purposes ("**AEOI**") and the Common Reporting Standard ("**CRS**") (hereinafter collectively referred to as "**comparable tax regulations**"). Under FATCA and/or the Comparable Tax Regulations, personal data may be processed and transferred to the Luxembourg tax authorities who, in turn and under their control, may transfer such personal data to the competent foreign tax authorities, including, but not limited to, the competent authorities of the United States of America;
- With the requests and requirements of local or foreign authorities.

The provision of personal data for this purpose is mandatory.

- III. For the purposes of the legitimate interests pursued by the Fund:

This includes the processing of personal data for risk management and fraud prevention purposes, the improvement of the Fund's services and the disclosure of personal data to processors for processing on behalf of the Fund. The Fund may also use personal data to the extent necessary to prevent or facilitate the settlement of claims, disputes or litigation.

## **Disclosure of personal data to third parties**

The Fund may transfer personal data, in compliance with the Data Protection Laws, to its delegates, service providers or agents, such as (but not limited to): the management company, the administrative agent, the registrar and transfer agent, the domiciliary agent, the distributors, or other entities directly or indirectly affiliated with the Fund and needing to process such data in the course of providing services to the Fund. The latter act as data processors (collectively referred to hereinafter as "**processors**").

These processors may in turn transfer personal data to their respective agents, delegates, service providers, affiliates, such as (but not limited to): the Administrative Agent, Registrar and Transfer Agent, Distributors, acting as sub-processors (collectively referred to hereinafter as "**sub-processors**").

Personal data may also be shared with service providers, processing such information on their own behalf as data controllers, and third parties, as may be required by applicable laws and regulations (including, but not limited to, governmental, local or foreign authorities - such as the competent regulator, tax authorities, judicial authorities, etc.).

## **Rights of data subjects with respect to personal data**

Under the conditions provided for in the Data Protection Laws and/or in any applicable guidelines, regulations, recommendations, circulars or requirements issued by any competent local or European authority, such as the National Commission for Data Protection (**CNPD**) or the European Data Protection Board, each data subject has a right of access to his or her personal data and may request rectification in the event that such data is inaccurate or incomplete. Further details on the information rights of data subjects are provided in Chapter III of the GDPR.

## **Information on data subjects linked to the investor**

Insofar as the investor provides personal data concerning subjects related to the investor (including for example and without limitation: representatives, beneficial owners, contact persons, agents, service providers, persons holding a power of attorney), the investor acknowledges and undertakes that such personal data has been obtained, processed and disclosed in accordance with applicable laws and regulations and its contractual obligations.

Without limiting the foregoing, the investor shall provide, before personal data is processed by the Fund and/or sub-processors and/or sub-sub-processors, evidence that all necessary information and notices have been provided to the relevant persons in accordance with applicable laws and regulations (including the Data Protection Laws) and/or its contractual obligations.

The investor will indemnify and hold harmless the Fund, the sub-processors and/or the sub-processors against any financial consequences that may arise from a failure to comply with the above requirements.

## **Data retention period**

**The Data Controller shall keep the data collected for the time strictly necessary for the purpose of the processing and within the limits provided for by European and national legislation if it authorises a longer retention. If you are considering subscribing for shares, you should first read the SICAV's PRIIPs KID carefully together with the Prospectus and its appendices, if any, which include specific information on the Fund's investment policy and consult the Fund's latest published annual and semi-annual reports, copies of which are available from local agents or entities marketing the Fund's shares, if any, and may be obtained on request, free of charge, from the Fund's registered office.**



## Table of contents

I.	GENERAL DESCRIPTION .....	11
II.	MANAGEMENT AND ADMINISTRATION .....	13
1.	THE BOARD OF DIRECTORS .....	13
2.	MANAGEMENT COMPANY .....	13
3.	CUSTODIAN AND PAYING AGENT .....	14
4.	DOMICILIARY AGENT, ADMINISTRATIVE AGENT, TRANSFER AGENT AND REGISTRAR .....	15
5.	APPROVED AUDITOR .....	16
III.	INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS .....	17
1.	GENERAL PROVISIONS .....	17
a)	Objectives of the SICAV .....	17
b)	Investment policy of the SICAV .....	17
c)	General sustainability disclosures .....	17
d)	Information on the Taxonomy Regulation (EU) 2020/852: .....	18
e)	Risk profile of the SICAV .....	18
2.	INVESTMENT OBJECTIVES AND POLICIES, RISK PROFILE AND INVESTOR PROFILE OF THE VARIOUS SUB-FUNDS .....	21
a)	MONOCLE FUND SICAV - Monocle Fund .....	21
(1)	Investment policy .....	21
(2)	Sustainability reporting .....	23
(3)	Information on the Taxonomy Regulation (EU) 2020/852: .....	24
(4)	Risk profile .....	24
(5)	Investor Profile .....	26
(6)	Reference currencies .....	26
3.	ELIGIBLE FINANCIAL ASSETS .....	26
4.	INVESTMENT RESTRICTIONS .....	28
IV.	THE SHARES .....	34
1.	GENERAL INFORMATION .....	34
2.	CHARACTERISTICS OF THE SHARES .....	34
a)	Classes and classes of shares .....	34
b)	Registered shares .....	35
c)	Share fractions .....	35
d)	ISIN codes .....	35
3.	ISSUANCE AND SUBSCRIPTION PRICE OF SHARES .....	36
a)	Initial subscriptions .....	36
b)	Subsequent subscriptions .....	36
c)	Payment of subscriptions .....	36
d)	Suspension and refusal of subscriptions .....	37
e)	Fight against Late Trading and Market Timing .....	37
f)	Combating money laundering and terrorist financing .....	38
4.	REPURCHASE OF SHARES .....	38
5.	CONVERSION OF SHARES .....	40
V.	NET ASSET VALUE OF SHARES .....	41

## MONOCLE FUND SICAV

1. DEFINITION AND CALCULATION OF THE NET ASSET VALUE.....	41
2. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REDEMPTION AND CONVERSION OF SHARES.....	43
VI. DISTRIBUTIONS .....	45
VII. TAXATION.....	46
1. TAX TREATMENT OF THE SICAV .....	46
2. TAX TREATMENT OF SHAREHOLDERS .....	46
VIII. CHARGES AND EXPENSES .....	48
1. MAIN EXPENSES AND FEES OF THE SICAV .....	48
a) First establishment costs .....	48
b) Management, distribution and performance fees .....	48
c) Custodian and Paying Agent Fees .....	50
d) Domiciliary Agent, Administrative Agent, Transfer Agent and Registrar Fees .....	51
2. OTHER EXPENSES BORNE BY THE SICAV .....	51
IX. FINANCIAL YEAR - MEETING.....	52
1. FISCAL YEAR .....	52
2. MEETINGS OF SHAREHOLDERS.....	52
X. DISSOLUTION AND LIQUIDATION OF THE SICAV .....	53
1. GENERAL INFORMATION.....	53
2. VOLUNTARY LIQUIDATION .....	53
3. JUDICIAL LIQUIDATION .....	53
XI. LIQUIDATION AND - MERGING OF SUB-FUNDS .....	54
XII. INFORMATION - AVAILABLE DOCUMENTS .....	55
1. AVAILABLE INFORMATION .....	55
a) Publication of the net asset value.....	55
b) Financial notices .....	55
c) Periodic reports.....	55
2. DOCUMENTS AVAILABLE TO THE PUBLIC .....	55
a) Available documents.....	55
b) Subscription form .....	56
c) Official languages.....	56
ANNEX .....	56
Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852	

## I. GENERAL DESCRIPTION

**MONOCLE FUND SICAV** is an open-ended investment company ("SICAV") governed by Luxembourg law with multiple sub-funds incorporated in Luxembourg on 4 August 2014 for an unlimited period in the form of a Société Anonyme.

The SICAV is subject in particular to the provisions of Part I of the 2010 Law, as well as to the Law of 10 August 1915 on commercial companies, as amended (1915 Law).

The Articles of Association of the SICAV (hereinafter the "Articles of Association") were published in Mémorial C, Recueil des Sociétés et Associations (hereinafter the "Mémorial") on 29 September 2014 and were filed with the Registrar of the District Court of and in Luxembourg. They can be consulted electronically on the website of the Luxembourg Trade and Companies Register ([www.rcsl.lu](http://www.rcsl.lu)). A copy of the Articles of Incorporation is also available on request and free of charge at the registered office of the Fund and can be viewed on the website [www.fundsquare.net](http://www.fundsquare.net).

The Fund is registered with the Luxembourg Trade and Companies Registry under number: B 189329.

The registered office of the SICAV is located at 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. Any questions regarding the general structure and policy of the SICAV should be addressed to the SICAV at its registered office.

The SICAV's capital currency is the Euro (EUR). The SICAV's minimum share capital amounts to EUR 1,250,000 (one million two hundred and fifty thousand euros) and has been reached within six months of the date of the SICAV's approval. The share capital of the SICAV is at all times equal to the sum of the net asset value (NAV) of the SICAV's sub-funds and is represented by fully paid-up shares with no indication of value.

Changes in capital shall be made automatically and without the publicity and registration measures in the Luxembourg Trade and Companies Register provided for in respect of increases and decreases in the capital of public limited liability companies.

The SICAV may consist of different sub-funds, each representing a pool of specific assets and liabilities and each corresponding to a distinct investment policy and a reference currency specific to it.

Within each sub-fund, shares may be separate classes of shares and within them, separate categories.

The Fund is therefore designed to be a multiple compartment undertaking for collective investment (UCI) allowing investors to choose the compartment whose investment policy best suits their objectives and sensibilities.

On the date of the Prospectus, a sub-fund is available to investors:

### MONOCLE FUND SICAV

The Board of Directors may decide to create new sub-funds. The Prospectus will therefore be subject to appropriate adjustments and will include detailed information on these new sub-funds, including the investment policy and the terms of sale.

In each sub-fund, the Board of Directors may decide at any time to issue different classes of shares ("share classes" or "classes") whose assets will be invested jointly in accordance with the specific investment policy of the sub-fund in question but will be subject to a specific fee structure or will have other distinctive features specific to each class.

In the sub-funds, shares are available in classes that will differ according to the type of investor, and/or

## MONOCLE FUND SICAV

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the minimum investment amount, and/or the accounting currency, and/or the applicable management and marketing fee and/or the hedging policy, if any (see Chapter IV "The Shares" and Chapter VIII "Fees and Expenses"):

The assets of these share classes are invested jointly in accordance with the investment policy of each sub-fund.

The full definition of these share classes is given in Chapter IV "The Shares", Section 2 "Characteristics of the Shares", point (a) "Share classes and classes".

In each sub-fund and/or share class, the Board of Directors may also decide to issue at any time two categories of shares ("distribution shares" or "accumulation shares") which will differ according to their distribution policy:

- The "distribution shares" category, corresponding to the distribution shares that will give entitlement to a dividend.
- The "accumulation shares" category, corresponding to accumulation shares that will not give the right to the payment of a dividend.

Each shareholder may request the redemption of his shares by the SICAV, in accordance with the terms and conditions described below under Chapter IV "The Shares", Section 4 "Redemption of Shares".

With regard to third parties, the SICAV constitutes a single legal entity. However, the assets of a given sub-fund are only liable for the debts, commitments and obligations relating to that sub-fund. In the relations between shareholders, each sub-fund is treated as a separate entity.

## II. MANAGEMENT AND ADMINISTRATION

### 1. **THE BOARD OF DIRECTORS**

The Board of Directors is vested with the broadest powers to act in all circumstances, on behalf of the SICAV, subject to the powers expressly granted by Luxembourg law or by the Articles of Association to the General Meeting of Shareholders.

The Board of Directors is responsible for the administration and management of the assets of each sub-fund of the Fund. It may carry out any management and administrative act on behalf of the Fund, in particular the purchase, sale, subscription or exchange of any securities and exercise any rights attached directly or indirectly to the Fund's assets.

### 2. **MANAGEMENT COMPANY**

The Board of Directors has appointed, under its responsibility and control, MONOCLE ASSET MANAGEMENT S.A.S, as management company of the Fund (hereinafter the "Management Company") and distributor, in accordance with the management agreement signed for an indefinite period and which may be terminated by either party to the contract giving ninety (90) days' written notice to the other party (the "**Management Agreement**").

The Management Company was incorporated in France (Boulogne) on 15 November 2002 for an indefinite period and is subject to the provisions of:

- articles L. 237-1 to L. 227-20 and L. 244-1 to L. 244-4 of the French Commercial Code;
- insofar as they are compatible with the provisions specific to simplified joint stock companies, the provisions relating to public limited companies, with the exception of Articles L. 225-17 to L. 225-126 of the French Commercial Code and the general provisions relating to all companies in Articles 1832 to 1844 17 of the French Civil Code.

Its registered office is located at 15 rue Monsigny, 75002 Paris, France. The Management Company's Articles of Association were published in the Trade and Companies Register on 12/12/2002 and have since been amended on several occasions. The Management Company's Articles of Association are filed in their consolidated and legally binding form for public reference in the Paris Trade and Companies Register under number 444 436 943. Monocle Asset Management S.A.S. has been authorised by the Autorité des Marchés Financiers as a portfolio management company since 20/11/2020, under number GP-20000040.

The Management Company's subscribed and paid-up capital amounts to EUR 300,000. The Management Company's directors have full powers on behalf of the Management Company and may take all measures and arrangements necessary to pursue the Management Company's objective, in particular with regard to the management of the Management Company, its administration and the distribution of shares.

The purpose of the remuneration policy is to specify the methods of determining and paying the overall remuneration package allocated by the Management Company's management body for a given financial year to the employees concerned, this overall package including fixed and variable remuneration. The remuneration policy is designed to ensure that the level of total remuneration allocated is in line with the wealth created by the Management Company over the long term, and that these rules also allow an alignment of interests between the Management Company and its clients.

The remuneration policy has been put in place in order to actively support the strategy and objectives of the Management Company, to ensure the attractiveness, development and retention of staff and to align the interests of employees with those of clients. The remuneration policy is intended to define the criteria used to evaluate the performance of the persons concerned and to determine the fixed remuneration (which is paid in cash). The remuneration policy is intended to define the criteria used to assess the performance of the individuals concerned and to determine fixed remuneration (which rewards the ability of the employee to meet the criteria defined for

## MONOCLE FUND SICAV

his or her position in a satisfactory manner) and variable remuneration (which aims to recognise the individual performance of the employee, his or her contributions and behaviour).

This information is available on the Management Company's website: [www.monocle.lu](http://www.monocle.lu) via the following link [www.monocle.lu/informations-reglementaires/politique-remuneration.pdf](http://www.monocle.lu/informations-reglementaires/politique-remuneration.pdf). A hard copy of the remuneration policy is available free of charge on request.

In addition to the Fund, the Management Company also manages other collective investment schemes.

In accordance with the Management Agreement, the Management Company is responsible for the day-to-day management of the Fund, with responsibility for carrying out directly or by delegation all operational functions relating to the management of investments, the administration of the Fund and the marketing of shares.

At present, the functions of Central Administration have been delegated.

### **3. CUSTODIAN AND PAYING AGENT**

Pursuant to a custodian and paying agent agreement (hereinafter the "Custodian Agreement"), Credit Suisse (Luxembourg) S.A. has been appointed as the custodian of the Fund (hereinafter the "**Custodian**"). The Custodian will also provide the Fund with paying agent services.

Credit Suisse (Luxembourg) S.A. is a public limited company incorporated under the laws of Luxembourg for an indefinite period of time and registered with the Luxembourg Trade and Companies Registry under number B11756. Its registered office is located at 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. It is regulated by the CSSF and authorised to carry out all banking activities under Luxembourg law in accordance with Article 2 of the Law of 5 April 1993 on the financial sector (the "LSF").

The Custodian has been appointed for the custody of the assets of the Fund by way of safekeeping of financial instruments, record keeping and verification of the ownership of the other assets of the Fund, as well as for the effective and appropriate supervision of the cash flows of the Fund in accordance with the provisions of the 2010 Law and the Custodian Bank Agreement.

In addition, the Custodian must also ensure that (i) the sale, issue, redemption and cancellation of the Fund's shares are carried out in accordance with Luxembourg law and the Articles of Incorporation; (ii) the value of the Fund's shares is calculated in accordance with Luxembourg law and the Articles of Incorporation (iii) the instructions of the Management Company or the Fund are carried out, unless they conflict with applicable Luxembourg law and/or the Articles of Incorporation; (iv) in transactions involving the assets of the Fund, the counterparty is remitted to the Fund within the customary time limits; and (v) the income of the Fund is applied in accordance with Luxembourg law and the Articles of Incorporation

In accordance with the provisions of the Custodian Bank Agreement and the 2010 Law, the Custodian may, under certain conditions and for the purpose of carrying out its functions efficiently, delegate all or part of its custodial functions in respect of the financial instruments which may be held in custody and which are duly entrusted to the Custodian for safekeeping to one or more sub-custodians, and/or in respect of other assets of the Fund, all or part of its functions relating to record keeping and verification of ownership to such other delegates as may be appointed by the Custodian from time to time. The Custodian shall exercise all skill, care and diligence as required by the 2010 Law in the selection and appointment of any sub-custodian and/or other delegate to whom it intends to delegate any of its duties and shall continue from time to time to exercise all skill, care, diligence and continuous supervision of any sub-custodian and/or other delegate to whom it may have delegated any of its duties, as well as of the arrangements made with the sub-custodian and/or other delegates in respect of the activities delegated to them. In particular, any delegation of the tasks of safekeeping of assets may only take place where the sub-custodian, at any time during the performance of the delegated tasks, separates the assets of the Fund from the assets of the Custodian and from the assets belonging to the sub-custodian in accordance with the 2010 Law.

## MONOCLE FUND SICAV

In principle, the Custodian does not allow sub-custodians to delegate custody of financial instruments unless the sub-delegation by the sub-custodian has been agreed by the Custodian. To the extent that sub-custodians are entitled to use sub-delegates for the safekeeping of financial instruments of the Fund or of the Fund's sub-funds which may be held in custody, the Custodian will require the sub-custodians to comply, in the context of such sub-delegation, with the rules laid down by the applicable law and regulations, for example, in particular, compliance with the segregation of the assets.

Before appointing and/or using sub-custodians for the custody of the financial instruments of the Fund or the Fund's sub-funds, the Custodian analyses - in accordance with the applicable law and regulations and its conflict of interest policy - the potential conflicts of interest that could result from such delegation of the custody function and has not - as at the date of this Prospectus - identified any such potential conflicts of interest that could arise from such delegation.

As at the date of this Prospectus, the Custodian does not have recourse to any sub-custodian within the Credit Suisse Group and therefore avoids any conflict of interest that may arise.

In the event that a conflict of interest is identified and if such conflict of interest cannot be neutralized, such conflict of interest will be disclosed to the shareholders of the Fund and the Prospectus will be amended accordingly.

An up-to-date list of these sub-custodians and their delegates for the custody of the Fund's financial instruments or the Fund's sub-funds is available to the Fund's shareholders and investors upon request.

The liability of the Custodian shall not be affected by such delegation to a sub-custodian, unless otherwise provided for in the 2010 Law and/or the Custodian Bank Agreement.

The Custodian shall be liable to the Fund or the Shareholders of the Fund for the loss of any financial instrument held by the Custodian and/or a sub-custodian. In the event of the loss of such a financial instrument, the Custodian must return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the 2010 Law, the Custodian shall not be liable for the loss of a financial instrument if such loss has occurred as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all its reasonable efforts.

The Custodian shall be liable to the Fund and the Shareholders of the Fund for all other losses suffered by them as a result of the negligent or intentional failure of the Custodian to properly discharge its duties in accordance with applicable law, in particular the 2010 Law and/or the Custodian Agreement.

The Fund and the Custodian may terminate the Custodian Agreement at any time by giving ninety (90) days' written notice. In the event of the voluntary withdrawal of the Custodian or its withdrawal by the Fund, the Custodian must be replaced within the aforementioned period of termination, no later than two (2) months after the expiry of the period of termination, by another custodian to whom the assets of the Fund are to be delivered and who will take over the duties and responsibilities of the Custodian. If the Fund does not appoint such replacement custodian within 60 days of receiving or sending the notice of termination, the Fund will take the necessary steps to commence its liquidation, if any, and the Custodian may inform the CSSF of the situation.

#### **4. DOMICILIARY AGENT, ADMINISTRATIVE AGENT, TRANSFER AGENT AND REGISTRAR**

The Management Company has delegated the execution of the tasks related to the central administration of the Fund to Crédit Suisse Fund Services (Luxembourg) S.A. (defined as "Central Administration" in this Prospectus).

For this purpose, a service agreement for the functions of Administrative Agent, Transfer Agent and Registrar of the Fund was entered into between the Management Company and Crédit Suisse Fund Services (Luxembourg) S.A. on XXX for an indefinite term, as well as a Domiciliary Agent agreement between the Fund and Crédit Suisse Fund Services (Luxembourg) S.A. signed on 4 August 2014 for an indefinite term.

Under the terms of these two agreements, Crédit Suisse Fund Services (Luxembourg) S.A. performs the functions

## *MONOCLE FUND SICAV*

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of Domiciliary Agent, Administrative Agent and Transfer Agent and Registrar of the Fund. In this capacity, it performs the administrative functions required by Luxembourg law, such as keeping the accounts and corporate records, including the register of shareholders. It will also be responsible for the periodic calculation of the NAV per share in each sub-fund and in each class/category where applicable.

### **5. APPROVED AUDITOR**

The auditing of the Fund's accounts and annual reports is entrusted to Grant Thornton Audit & Assurance in its capacity as the Fund's auditor.



### III. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

#### 1. GENERAL PROVISIONS

##### a) Objectives of the SICAV

The SICAV's main objective is to preserve the capital in real terms and to achieve medium-term growth in the assets of each sub-fund.

The SICAV's objective is to offer shareholders the opportunity to participate in the active professional management of diversified portfolios of eligible financial assets. The portfolio of each sub-fund is managed in accordance with its investment policy defined in section 2 "Investment Objectives and Policies, Risk Profile and Profile of Investors of the Different Sub-funds".

Shareholders may choose, according to their needs or their own market development prospects, the level of investments they wish to make in one or other of the SICAV's sub-funds.

##### b) Investment policy of the SICAV

The SICAV intends to achieve this objective mainly through the active management of portfolios of eligible financial assets. Subject to the conditions and limits set out in sections 3 to 4 below, and in accordance with the investment policy of each sub-fund defined below, eligible financial assets may consist in particular of transferable securities, money market instruments, shares/units of UCITS and/or UCIs, bank deposits and/or derivative financial instruments.

Each sub-fund may invest in derivatives both for the purpose of achieving the investment objectives and for hedging and efficient portfolio management, under the conditions and within the limits set by applicable laws and regulations and subject to the restrictions set out in sections 2 to 4 below.

Each sub-fund of the SICAV must ensure that its overall risk related to derivative financial instruments does not exceed the total net value of its portfolio.

Overall exposure is a measure designed to limit the leverage generated at the level of each sub-fund by the use of derivative financial instruments. The method used to calculate the overall exposure of each sub-fund of the SICAV will be the liability method. The liability method consists of converting derivative financial instrument positions into equivalent positions in the underlying assets and then aggregating the market value of these equivalent positions.

Each sub-fund of the SICAV will have a different investment policy in terms of the type and proportion of eligible financial assets and/or in terms of geographical, industrial or sectoral diversification.

##### c) General sustainability disclosures

Regulation (EU) 2019/2088 of 27 November 2019, on sustainability reporting in the financial services sector (so-called "SFDR"), has established harmonized and transparency rules with regard to the integration of sustainability risks and the consideration of negative sustainability impacts.

In accordance with this Regulation, MONOCLE FUND SICAV is required to disclose how sustainability risks are integrated into the investment decision and the results of the assessment of the likely impacts of sustainability risks on the sub-funds' returns.

Further information is available in the investment policy of each sub-fund below.

MONOCLE FUND will take into account sustainability risk. A sustainability risk is an environmental,

social or governance event or situation which, if it occurs, could have a significant actual or potential negative impact on the value and/or return of the investment. The Management Company identifies these sustainability risks from the initial phase of the investment strategy and takes them into account in its investment decision, which is based on financial and extra-financial criteria. The Management Company will regularly monitor the sustainability risks of the assets in the portfolio insofar as they represent real or potential non-negligible opportunities and/or risks for the long-term risk-adjusted returns of the Funds.

The Management Company does not currently take into account the negative impact of its investment decisions on sustainability factors due to the lack of available data and its reliability.

### **d) Information on the Taxonomy Regulation (EU) 2020/852:**

The Taxonomy Regulation (EU) 2020/852 aims to establish a framework for classifying environmentally sustainable economic activities, while modifying certain SFDR reporting obligations. It sets out harmonized criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a series of disclosure requirements to improve transparency and enable objective comparison of financial products with respect to the proportion of their investments that contribute to environmentally sustainable economic activities.

Further information is available in the investment policy of each sub-fund below.

### **e) Risk profile of the SICAV**

Before taking a decision to subscribe for shares of the SICAV, investors are advised to read carefully the information contained in the Prospectus and to take into account their current or future personal financial and tax situation. All investors should pay particular attention to the risks described in this chapter, in the material safety data sheets and in the Key Information. The above risk factors may, individually or collectively, reduce the return on an investment in shares of the SICAV and may result in a partial or total loss of the value of the investment in shares of the SICAV.

The risks specific to each sub-fund and their management objective are more fully described in the investment policy relating to each sub-fund.

The assets of each sub-fund are subject to fluctuations in the financial markets and the risks inherent in any investment in financial assets.

No guarantee can be given that the SICAV's objective will be achieved and that investors will recover the amount of their initial investment. As a result, the NAV may decrease or increase. Shareholders run the risk that the redemption price of their shares, respectively the amount of the liquidation bonus of their shares, will be significantly lower than the price that shareholders will have paid to subscribe for the shares of the SICAV or otherwise acquire the shares of the SICAV.

However, the conditions and limits set out in sections 3 to 4 below are intended to ensure portfolio diversification to manage and limit these risks without excluding them.

The investments made by the SICAV in shares/units of UCIs expose the SICAV to the risks associated with the financial instruments that these UCIs hold in their portfolio. However, certain risks are specific to the SICAV's holding of shares/units of UCIs. Some mutual funds may use leverage either through the use of derivatives or debt. The use of leverage increases the volatility of the price of these funds and therefore the risk of capital loss. Investments in shares/units of UCIs may also present a higher liquidity risk than a direct investment in a portfolio of transferable securities. On the other hand, investing in shares/units of UCIs gives the SICAV flexible and efficient access to different professional management styles and investment diversification.

A sub-fund that invests mainly through UCIs will ensure that its portfolio of UCIs has appropriate liquidity characteristics in order to enable it to meet its own redemption obligations. The method of selecting target UCIs will take into consideration the redemption frequency in these UCIs and the portfolio of such a sub-

fund will mainly consist of UCIs open for redemption at the same frequency as the sub-fund concerned.

It should be noted that the activity of a UCI or a sub-fund that invests in other UCIs may result in a duplication of certain fees. Any costs that may be charged to a sub-fund of the SICAV may, as a result of the investment in UCIs, be doubled.

The risks associated with investments in equities and other equity equivalent securities include sometimes significant price fluctuations, prolonged price declines based on general economic and political circumstances or the specific situation of each issuer, or even the loss of capital invested in the financial asset in the event of default by the issuer (market risk).

It should be noted that some warrants, as well as options, although likely to generate a greater gain than shares due to their leverage effect, are characterized by a significantly higher volatility of their price compared to the price of the underlying asset or financial index. In addition, these instruments may lose all their value.

Investments in convertible bonds are sensitive to fluctuations in the prices of the underlying shares ("equity component" of the convertible bond) while offering some form of protection for a portion of the capital ("bond floor" of the convertible bond). The greater the equity component, the lower the capital protection will be. As a corollary, a convertible bond that has experienced a significant increase in its market value as a result of the increase in the price of the underlying share will have a risk profile close to that of a share. On the other hand, a convertible bond that has experienced a decline in its market value to the level of its bond floor following the fall in the price of the underlying share will have a risk profile from this level that is close to that of a conventional bond.

The convertible bond, like other types of bonds, is subject to the risk that the issuer may not be able to meet its obligations in terms of interest payments and/or principal repayments at maturity (credit risk). The market's perception of the increase in the probability of this risk occurring for a given issuer sometimes leads to a significant decrease in the bond's market value and therefore in the protection offered by the bond content of the convertible bond. In addition, bonds are exposed to the risk of a decline in their market value due to an increase in benchmark interest rates (interest rate risk).

Investments made in a currency other than the reference currency of the sub-fund / share class concerned present a currency risk: at constant price, the market value of an investment denominated in a currency other than that of a given sub-fund / share class, expressed in the currency of the sub-fund / share class concerned, may decrease following an unfavourable change in the exchange rate between the two currencies.

Investments in so-called "emerging" markets and small company securities may have lower liquidity and greater volatility than investments in so-called "traditional" markets and large company securities.

In times of political instability, monetary crises (particularly credit crises), and economic crises, financial markets are generally characterised by a significant decline in market values, increased price volatility and deteriorating liquidity conditions. This increased volatility and deterioration in liquidity conditions will generally affect in particular so-called "emerging markets", financial assets issued by small companies and small bond issues. During these exceptional events, the SICAV may have to sell assets at a price that does not reflect their intrinsic value (liquidity risk) and investors may incur high risks of loss.

The risk factors set out in the Prospectus and Key Information are not exhaustive. Other risk factors may exist that an investor will need to consider based on his or her personal situation and current and future special circumstances.

Investors should also be fully aware of the risks associated with an investment in the shares of the SICAV and should seek the services of their legal, tax and financial advisors, auditors or other advisors in order to obtain full information on (i) the suitability of an investment in such shares in light of their personal financial and tax situation and the particular circumstances, (ii) the information contained in the Prospectus, the PRIIPs KIDs, before making an investment decision.

Investors wishing to know the historical performance of the active sub-funds are invited to consult the PRIIPs KID relating to the sub-fund concerned, which contains data relating, in principle, to the last three financial years. Investors' attention is drawn to the fact that these data are in no way an indicator of the future performance of the SICAV's various sub-funds.

The investment objectives and policies determined by the Board of Directors as well as the risk profile and standard investor profile are as follows for each sub-fund.

**2. INVESTMENT OBJECTIVES AND POLICIES, RISK PROFILE AND INVESTOR PROFILE OF THE VARIOUS SUB-FUNDS**

**a) MONOCLE FUND SICAV - Monocle Fund**

**(1) Investment policy**

The Sub Fund's objective is to achieve performance over a recommended investment period of at least 3 years through discretionary, flexible and diversified management.

The Sub Fund will invest in the fixed income markets and in the equity markets, Total exposure to fixed income products will evolve from 51% to 100% of net assets. Equities exposure will vary between 0% and 49% of net assets.

The SICAV's strategy is to build a diversified portfolio of assets. The implemented strategy is discretionary

The Management Company (Monocle Asset Management) seeks to improve the SICAV's performance by adding to the bond portion described above a direct equity portfolio selected on the basis of an estimate of their intrinsic value in relation to market value. These direct lines will be relatively concentrated so that each can individually have a substantial impact on overall performance.

Other management methods may be used on ancillary basis, including the use of futures or options, to modify the sensitivity of the portfolio or to tactically increase exposure.

The SICAV may also invest in fund units up to a maximum of 10% of its net assets.

For any other asset class, the Sub Fund may invest without any sector constraints.

**Assets employed and exposure**

**Bonds:**

The Management Company chooses to position itself in fixed-income products based on its expectations of the yield curve.

The Sub Fund will be exposed to a range of 51 to 100% on the fixed income markets. This investment will be made through bond or money market instruments (in real securities, short-term or not, derivatives, deposits, etc.). The intervention market is global and involves securities denominated in euros or foreign currencies.

The SICAV may also use units of bond or money market funds up to a maximum of 10% of the net assets for overall UCITS exposure.

The SICAV does not intend to invest directly in contingent convertible bonds or asset backed securities (ABS) or mortgage backed securities (MBS) but indirect residual exposure is possible through potential exposure to UCITS.

**Equity:**

The SICAV will be exposed to a range of 0 to 49% on the equity markets.

Equity risk will generally be taken through concentrated lines of direct equity securities selected based on the internal valuation of intrinsic value relative to market value. The objective is to choose quality securities with a low entry price that offer both protection against a significant capital loss and an opportunity for

substantial profit.

The SICAV may also invest in units of specialized equity funds, generally by geographical area or sector, up to a maximum of 10% of the net assets for overall UCITS exposure.

### **Direct holding of UCITS / Other UCIs:**

Units in UCITS or other UCIs may be acquired up to a limit of 10% of its net assets. These UCITS may be managed by the Management Company.

### **Other authorized securities**

On an ancillary basis, the fund may also invest in other authorised securities and within the limits set by law. In particular, the SICAV may use derivatives traded on eurozone and international markets, regulated, organised or over-the-counter, such as options or futures, to tactically manage the SICAV's overall exposure and risk.

However, the SICAV does not currently use *total return swaps*. If the SICAV were to make use of it, the Prospectus of the SICAV would be amended, in advance, to include all the information required by the laws and regulations applicable in Luxembourg.

### **Securities with embedded derivatives**

The SICAV may invest in convertible bonds in the European and/or international zone, in particular in emerging countries.

The SICAV may invest in securities with embedded derivatives (including warrants, convertible bonds, credit link notes, EMTNs, warrants) traded on regulated, organised or over-the-counter markets in the euro zone and/or internationally.

The risk associated with this type of investment is limited to the amount invested to purchase securities with embedded derivatives.

### **Cash deposits / borrowings**

The Fund may also hold cash on an ancillary basis and will not invest more than 20% of its net assets in cash and demand deposits (such as cash held in current accounts) for ancillary liquidity purposes under normal market conditions. In exceptionally adverse market conditions and on a temporary basis, unless otherwise provided for a Portfolio in this prospectus, this limit may be increased up to 100% of its net assets, if justified by the interests of investors.

In addition, the Fund may hold, on an ancillary basis, regularly traded money market instruments with a residual maturity of less than 12 months.

### **Techniques for effective portfolio management**

At present, the SICAV does not use efficient management techniques. In particular, the SICAV does not engage in securities financing transactions (Securities Financing Transaction or SFT) as defined in European Regulation (EU) 2015/2365 (Securities Financing Transactions Regulation or SFTR). These include, for example, repurchase agreements, loans, purchase/resale, sale/repurchase and margin lending. If the SICAV were to make use of it, the Prospectus of the SICAV would be amended, in advance, to include all the information required by the laws and regulations applicable in Luxembourg.

### (2) **Sustainability reporting**

Regulation (EU) 2019/2088 of 27 November 2019, on sustainability reporting in the financial services sector (the so-called "SFDR"), has established harmonised and transparency rules with regard to the integration of sustainability risks and the consideration of negative sustainability impacts.

In accordance with this Regulation, MONOCLE FUND SICAV is required to disclose how sustainability risks are integrated into the investment decision and the results of the assessment of the likely impacts of sustainability risks on the sub-funds' returns.

From 21 July 2022, the MONOCLE FUND SICAV - MONOCLE FUND sub-fund adopts a responsible investment approach. It integrates into its investment strategy the consideration of environmental characteristics ("E" criteria) and good governance ("G" criteria) and qualifies as a product subject to Article 8 of the SFDR Regulation.

The Management Company integrates the E and G criteria from the initial analysis phase, upstream of the investment decision which necessarily takes into account the extra-financial characteristics of the products.

The Management Company's responsible investment approach is based on a double requirement:

1. The exclusion of companies active in controversial sectors;
2. The achievement of a minimum "E - G" rating by issuers.

The responsible investment policy will be applied to the entire portfolio (it should be noted that cash is not rated due to the lack of consensus at present on the ESG evaluation method for these financial products).

It is emphasised here that the integration of E and G criteria in the financial management of the sub-fund is based on ratings determined by the Management Company.

#### **ESG rating :**

Each issuer is assigned an overall E-G rating ranging from 0 to 5 based on the evaluation of extra-financial indicators defined according to the different categories of issuers (company or state entity). To avoid any confusion, it is specified that the E-G ratings are determined by the Management Company.

The Management Company adopts a "selective" approach and is committed:  
to obtain an average E-G rating for the portfolio of more than 3  
not to invest when the issuer obtains a rating below 2

The Management Company wishes to emphasise that this double red line approach has been introduced so that the average E-G rating of the portfolio does not lose its meaning by masking unequal situations between issuers.

In this way, the Management Company does not allow any compromise towards issuers whose commitment to the environment and good governance is insufficient.

The Management Company relies on information obtained both from public sources or third party ESG providers and from direct interaction with companies.

Examples of criteria observed: carbon intensity, carbon emission reduction targets, proportion of waste recycled, proportion of renewable energy consumed, gender mix of the executive committee, independence of the board, etc.

#### **Exclusion of companies active in controversial sectors**

The Management Company is committed to not investing in companies active in the tobacco sector due to the harmful nature of this product for health and the environment.

For greater clarity, the following are excluded from the investment universe

- companies involved in the production of tobacco ;
- or companies with a significant stake (more than 25% of voting rights) in such companies;
- or companies involved in the wholesale distribution of tobacco (more than 5% of their turnover).

The Management Company also excludes from its investment universe companies active in the thermal coal sector (fuel used for electricity generation), given the major negative impact of this fuel on the environment.

For the sake of clarity, companies active in the thermal coal sector are considered to be

- companies whose annual production of thermal coal exceeds 20 million tonnes;
- or companies whose turnover is more than 20% dependent on the use of thermal coal.

For further information, please consult the responsible investment policy available on the Management Company's website: [www.monocle.lu](http://www.monocle.lu).

The ESG assessment of issuers is updated at least once a year. In addition, the Management Company regularly monitors the issuers in the portfolio, including environmental and governance considerations.

### **“Hurdle” benchmark:**

The benchmark<sup>1</sup> of the sub-fund will not take into account ESG characteristics.

The Sub-Fund is actively managed and uses the benchmark index for performance comparison purposes only.

For further information, please refer to Part VIII "Charges and Expenses", section 1 "Main Charges and Expenses of the Fund", b) "Management, Distribution and Performance Fees".

### **(3) Information on the Taxonomy Regulation (EU) 2020/852:**

From 21 July 2022, the MONOCLE FUND SICAV promotes environmental characteristics in accordance with Article 8 of the Regulation (EU) 2019/2088 "SFDR", but does not make "sustainable investments". In this respect, pre-contractual information as required by the Commission Delegated Regulation (EU) 2022/1288 of April 6, 2022 is included in the Annex to this Prospectus.

The definition of "sustainable investment" in the SFDR Regulation includes investments in economic activities that contribute to an environmental objective, which should include, inter alia, investments in "environmentally sustainable economic activities" as defined by Regulation 2020/852 Taxonomy. In addition, the SFDR Regulation only considers an investment to be a "sustainable investment" if it does not cause significant harm to any of the environmental or social objectives as set out in that Regulation (the "do no harm" principle).

Consequently, MONOCLE FUND SICAV does not apply the "do no harm" principle as this sub-fund does not make "sustainable investments".

The investments underlying this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

### **(4) Risk profile**

The Sub Fund is mainly invested in financial instruments selected by the Management Company. These instruments will be subject to market developments and risks.

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<sup>1</sup> The benchmark is a "Hurdle".



## MONOCLE FUND SICAV

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The Sub Fund is mainly exposed to several risk factors induced by the investment strategy.

- Capital risk:

The Sub Fund does not benefit from any guarantee or protection, so it is possible that the capital initially invested may not be returned in full.

- Equity risk:

Equity risk corresponds to a decline in the equity markets; as the Sub Fund is exposed to equities, the net asset value (NAV) may fall significantly.

As a result of investing in emerging countries, investors' attention is drawn to the fact that the operating and supervisory conditions in some of these emerging countries may differ from the standards prevailing on the major international markets; as a result, the NAV may fall.

The Sub Fund's investments are possible in small and mid-cap shares. The volume of these listed securities is reduced, so market movements are more marked, both upward and downward, and faster than on large caps. The NAV of the Sub Fund may therefore behave in the same way.

- Discretionary management risk:

The Sub Fund's discretionary management style is based on anticipating the evolution of the various markets (equities, bonds, foreign exchange) and there is a risk that the Sub Fund may not be invested at all times in the best performing markets. The Sub Fund's performance will depend on the securities chosen by the Management Company. There is a risk that the Management Company may not select the best performing securities.

- Foreign exchange risk:

Currency risk is the risk of a decline in investment currencies against the portfolio's reference currency, the euro, but also the risk of an unfavourable change in currency positions against the currency taken by the Sub Fund.

- Interest rate risk:

Interest rate risk corresponds to the risk associated with a rise in bond market rates, which causes bond prices to fall and consequently the NAV of the Sub Fund to fall.

Interest rate risk corresponds to the risk associated with a fall in bond market rates, which causes bond prices to rise and consequently an increase in the NAV of the SICAV.

- Credit risk:

It represents the possible risk of a deterioration in the issuer's signature and the risk that the issuer will not be able to meet its repayments, which will lead to a decrease in the share price and therefore in the NAV of the Sub Fund.

- Risk associated with investing in high yield speculative securities:

This Sub Fund must be considered as partly speculative and aimed more particularly at investors who are aware of the risks inherent in investing in securities with a low or non-existent rating.

- Sustainability risk:

Sustainability risks, which arise when an environmental, social or governance event or situation occurs that

could negatively affect the value of an investment, are taken into account when assessing the extra-financial criteria (ESG) of investments, which include this dimension.

### **(5) Investor Profile**

**MONOCLE FUND SICAV** - sub-fund is aimed at all categories of investors wishing to take advantage of market opportunities through diversified asset management, seeking performance on the equity markets, fixed income markets and currencies, over a period of more than 3 years.

### **(6) Reference currencies**

The NAV of class "A" of the sub-fund is expressed in EUR.

The NAV of class "M" of the sub-fund is expressed in EUR.

The NAV of class "B" of the sub-fund is expressed in EUR.

The NAV of the sub-fund are consolidated in euros.

## **3. ELIGIBLE FINANCIAL ASSETS**

The investments of the SICAV's various sub-funds must consist exclusively of:

### **Transferable securities and money market instruments**

- a) transferable securities and money market instruments listed or dealt in on a regulated market as recognised by its home Member State and included in the list of regulated markets published in the Official Journal of the EU or on its official website (hereinafter referred to as the "Regulated Market");
- b) transferable securities and money market instruments traded on another market in an EU Member State, regulated, in regular operation, recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange of a State which is not part of the EU or traded on another market of a State which is not part of the EU, regulated, in regular operation, recognised and open to the public;
- d) transferable securities and money market instruments newly issued provided that (i) the conditions of issue include an undertaking that an application for admission to official listing on a stock exchange or other regulated market, in regular operation, recognised and open to the public, is submitted and (ii) admission is obtained at the latest one year after issue;
- e) money market instruments other than those traded on a regulated market, provided that the issuer or issuer of such instruments is itself subject to regulation to protect investors and savings and that such instruments are :
  - issued or guaranteed by a central, regional or local government, by a central bank of an EU Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a third country or, in the case of a federal country, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
  - issued by an undertaking whose securities are traded on the regulated markets referred to in points (a), (b) and (c) above; or
  - issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria defined by Community law, or by an institution which is subject to and complies with prudential rules considered by the CSSF to be at least as strict as those laid down by Community legislation; or

- issued by other entities belonging to the categories approved by the CSSF provided that investments in these instruments are subject to investor protection rules equivalent to those provided for in the first, second or third indents, and that the issuer is a company whose capital and reserves amount to at least ten million euros (10.000,000.- EUR) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, either an entity which, within a group of companies including one or more listed companies, is dedicated to financing the group or an entity which is dedicated to financing securitisation vehicles with a bank financing line.

In addition, any sub-fund of the SICAV may invest up to a maximum of 10% of its net assets in transferable securities and money market instruments other than those referred to in points a), b), c), d) and e) above.

### **Units in collective investment undertakings**

f) Units of UCITS authorised in accordance with Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to certain UCITS ("Directive 2009/65/EC") and/or other collective investment undertakings ("UCIs") within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC, whether or not they are located in an EU Member State, provided that:

- such other UCIs are authorised in accordance with legislation providing that such bodies are subject to supervision which the CSSF considers equivalent to that provided for in Community legislation and that cooperation between the authorities is sufficiently guaranteed;
- the level of protection guaranteed to the unitholders of such other UCIs is equivalent to that provided for the unitholders of a UCITS and, in particular, that the rules on the division of assets, borrowing, lending, short selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
- the activities of these other UCIs are the subject of semi-annual and annual reports allowing a valuation of the assets and liabilities, profits and operations for the period under consideration;
- the proportion of the assets of the UCITS or other UCIs whose acquisition is being considered, which, in accordance with their instruments of incorporation, may be invested globally in units of other UCITS or other UCIs, shall not exceed 10%.

### **Deposits with a credit institution**

g) Deposits with a credit institution repayable on demand or withdrawable and maturing in twelve months or less, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is located in a third country, is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.

### **Derivative financial instruments**

h) Derivative financial instruments, including equivalent cash-settled instruments, which are traded on a regulated market of the type referred to in points (a), (b) and (c) above, and/or over-the-counter derivative financial instruments ("OTC derivatives"), provided that

- the underlying consists of instruments described in points a) to g) above, financial indices, interest rates, exchange rates or currencies, in which the SICAV may invest in accordance with its investment objectives;
- the counterparties to OTC derivative transactions are credit institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and may, at the

SICAV's initiative, be sold, liquidated or closed by an offsetting transaction at any time and at fair value; and

- that under no circumstances do these transactions cause the SICAV to deviate from its investment objectives.

The SICAV may in particular enter into transactions involving options, futures contracts on financial instruments and options on such contracts.

### **Use of leveraged techniques and instruments:**

The Fund may use leveraged techniques and instruments as referred to in Regulation (EU) No. 2015/2365 of 25 November 2015 on transparency of securities financing transactions and their reuse and Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on over-the-counter derivatives, central counterparties and trade repositories, as amended.

### **Other types of assets**

The SICAV may hold cash on an ancillary basis.

The SICAV may acquire the movable and immovable property necessary for the direct conduct of its business.

In making its investments, the SICAV is not authorised, in each of the sub-funds, to acquire precious metals or certificates representing them.

## **4. INVESTMENT RESTRICTIONS**

### **Transferable securities and money market instruments**

1. The SICAV undertakes not to invest its net assets in transferable securities and money market instruments of the same issuer in a proportion exceeding the limits set out below, it being understood that (i) these limits must be respected within each sub-fund and that (ii) the issuing companies which are grouped together for the purposes of consolidating the accounts must be considered as a single entity for the calculation of the limits described in points a) to e) below.

- a) A sub-fund may not invest more than 10% of its net assets in transferable securities and money market instruments issued by the same entity.

In addition, the total value of the transferable securities and money market instruments held by the sub-fund in issuers in which it invests more than 5% of its net assets may not exceed 40% of the value of its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision and OTC derivative transactions with such institutions.

- b) The same sub-fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments of the same group.
- c) The 10% limit referred to in point (a) above may be increased to a maximum of 35% where transferable securities and money market instruments are issued or guaranteed by an EU Member State, by its local authorities, by a State which is not part of the EU or by international public bodies of which one or more EU Member States are members.
- d) The 10% limit referred to in point (a) above may be increased to a maximum of 25% for certain bonds when they are issued by a credit institution having its registered office in an EU Member State and subject, by law, to special public supervision to protect the holders of these bonds. In particular, the sums resulting from the issue of these bonds must be invested, in accordance with the law, in assets which adequately cover, throughout the period of validity of the bonds, the commitments

arising therefrom and which are allocated in priority to the repayment of the principal and the payment of accrued interest in the event of the issuer's default. To the extent that a sub-fund invests more than 5% of its net assets in bonds referred to above and issued by the same issuer, the total value of such investments may not exceed 80% of the value of its net assets.

- e) The transferable securities and money market instruments referred to in points (c) and (d) above shall not be taken into account for the application of the 40% limit provided for in point (a) above.
- f) **By way of derogation, any sub-fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in various issues of transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities, by a State which is a member of the OECD or by international public bodies to which one or more EU Member States belong.**

If a sub-fund makes use of this last option, it must then hold securities belonging to at least 6 different issues, without the securities belonging to the same issue exceeding 30% of the total amount of net assets.

- g) Without prejudice to the limits set out in point 8. below, the 10% limit referred to in point a) above is raised to a maximum of 20% for investments in shares and/or bonds issued by the same entity, when the purpose of the sub-fund's investment policy is to reproduce the composition of a specific share or bond index recognised by the CSSF, on the following bases :
- the composition of the index is sufficiently diversified,
  - the index is a representative benchmark for the market to which it refers,
  - it is published in an appropriate manner.

The 20% limit is increased to 35% when justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or money market instruments are largely dominant. Investment up to this limit is only permitted for one issuer.

### **Deposits with a credit institution**

2. The SICAV may not invest more than 20% of the net assets of each sub-fund in bank deposits with the same entity. Companies that are grouped together for the purpose of consolidating the accounts are to be considered as a single entity for the calculation of this limitation.

### **Derivative financial instruments**

3. a) The counterparty risk in an OTC derivative transaction may not exceed 10% of the sub-fund's net assets when the counterparty is one of the credit institutions referred to in section 3 (g) above, or 5% of its net assets in other cases. The SICAV has the possibility of reducing its counterparty risk by receiving appropriate financial guarantees.
- b) Investments in financial derivative instruments may be made provided that, overall, the risks to which the underlying assets are exposed do not exceed the investment limits set out in points 1. a) to e), 2. above and 6. and 7. below. When the SICAV invests in index-based derivative financial instruments, these investments are not necessarily combined with the limits set out in points 1. a) to e), 2. above and 6. and 7. below.
- c) Where a transferable security or money market instrument includes a derivative financial instrument, the latter must be taken into account when applying the provisions set out in point 3(d) below.
- d) Each sub-fund shall ensure that the overall risk related to derivative financial instruments does not exceed the total net value of its portfolio.

### Financial guarantees to reduce exposure to counterparty risk

4. When the SICAV enters into transactions in OTC financial derivative instruments, it shall ensure that all financial guarantees used to reduce exposure to counterparty risk comply, at all times, with the following criteria:
- a) Liquidity: any financial collateral received other than in cash must be highly liquid and trade on a regulated market or multilateral trading facility at transparent prices, so that it can be sold quickly at a price close to the pre-sale valuation. The financial guarantees received must also comply with the provisions of Article 48 of the 2010 Law (point 8 below).
  - b) Valuation: Financial guarantees received must be valued at least daily and assets with high price volatility must not be accepted as financial guarantees unless sufficiently prudent haircuts are applied.
  - c) Credit quality of issuers: the financial guarantees received must be of excellent quality.
  - d) Correlation: the financial guarantees received by the SICAV must be issued by an entity independent of the counterparty and are not expected to be highly correlated with the counterparty's performance.
  - e) Diversification of financial guarantees (asset concentration): financial guarantees must be sufficiently diversified in terms of countries, markets and issuers. The criterion of sufficient diversification in terms of issuer concentration is considered to be met if the SICAV receives from a counterparty in the context of OTC financial derivative transactions a basket of financial guarantees with an exposure to a given issuer of a maximum of 20% of its NAV. If the SICAV is exposed to different counterparties, the different baskets of financial guarantees must be aggregated to calculate the 20% exposure limit to a single issuer.
  - f) Risks related to the management of financial guarantees, such as operational and legal risks, must be identified, managed and mitigated through the risk management process.
  - g) Financial guarantees received in the event of a transfer of ownership must be held by the SICAV's custodian. With regard to other types of financial guarantee contracts, financial guarantees may be held by a third party depository subject to prudential supervision and which has no relationship with the provider of the financial guarantees.
  - h) The financial guarantees received must be capable of being fully executed by the SICAV at any time and without consulting or approving the counterparty.
  - i) Non-cash financial guarantees must not be sold, reinvested or pledged.
  - j) Financial guarantees received in cash must only be:
    - placed on deposit with entities prescribed in Article 41(f) of the 2010 Law;
    - invested in high quality government bonds;
    - invested in short-term money market funds as defined in the guidelines for a common definition of European money market funds.

Reinvested cash financial guarantees should be diversified in accordance with the requirements for non-cash financial guarantees.

The discounts applicable to the financial guarantees received are applied in accordance with the discount policy as defined in the Management Company's risk management procedure.

**Units in collective investment undertakings**

**Subject to other more stringent specific provisions relating to a given sub-fund and described in section 2 above, if applicable:**

- a) The SICAV may not invest more than 20% of the net assets of each sub-fund in the units of the same UCITS or other open-ended UCI, as defined in section 3. point f) above.
- b) Investments in units of UCIs other than UCITS may not exceed, in total, 30% of the SICAV's net assets.

Where a sub-fund has acquired units of UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purposes of the limits provided for in point 1.a) to g) above.

- c) By way of derogation from paragraph (a) above, the SICAV or any sub-fund of the SICAV may adopt a "Master - Feed Fund" investment strategy whereby the SICAV or one of its sub-funds (the "Feeder") invests at least 85% of its assets in units of a single other UCITS or an investment sub-fund thereof (the "Master") which is not itself a UCITS/Feeder Sub-fund and which does not hold shares/units of a UCITS/Feeder Sub-fund.

The Feeder may not invest more than 15% of his assets in one or more of the following elements:

- ancillary liquidity in accordance with section 41, subsection (2), second paragraph, of the 2010 Act;
  - derivative financial instruments, which may only be used for hedging purposes, in accordance with Article 41(1)(g) and Article 42(2) and (3) of the 2010 Act;
  - movable and immovable property essential for the direct conduct of the SICAV's business.
- d) When the SICAV invests in the units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the same management company or by any other company to which the Management Company is linked as part of a management or control community or by a significant direct or indirect participation, the Management Company or the other company may not charge subscription or redemption fees for the SICAV's investment in the units of other UCITS and/or other UCIs.

The maximum level of management fees that may be charged to both the SICAV and the UCITS and/or other UCIs in which the SICAV intends to invest will be that indicated in the specific investment policy of the sub-fund concerned.

- e) A sub-fund of the SICAV may, in accordance with the provisions of the 2010 Law, subscribe for, acquire and/or hold securities to be issued or issued by one or more other sub-funds of the SICAV, without the SICAV being subject to the requirements laid down in the law of 10 August 1915 on commercial companies, as amended, concerning the subscription, acquisition and/or holding by a company of its own shares, but provided that:
  - the target sub-fund does not in turn invest in the sub-fund that is invested in that target sub-fund; and
  - the proportion of assets that the target sub-funds whose acquisition is contemplated may invest in aggregate in shares of other target sub-funds of the SICAV does not exceed 10%; and
  - any voting rights attached to the securities concerned will be suspended for as long as they are held by the sub-fund in question and without prejudice to appropriate treatment in the accounts and periodic reports; and
  - in any event, as long as these securities are held by the sub-fund concerned, their value will not be taken into account for the calculation of the net assets of the SICAV for the purpose of verifying the

minimum threshold of net assets imposed by the 2010 Law.

Insofar as this UCITS or UCI is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively responsible for the rights of investors relating to this sub-fund and those of creditors whose claims arose when the sub-fund was set up, operated or liquidated, each sub-fund is to be considered a separate issuer for the purposes of the above risk spreading rules.

### Combined limits

6. Notwithstanding the individual limits set out in points 1. a), 2. and 3. a) above, a sub-fund may not combine:
  - investments in transferable securities or money market instruments issued by the same entity,
  - deposits with the same entity, and/or
  - risks arising from OTC derivative transactions with a single entity,that are greater than 20% of its net assets.
7. The limits provided for in points 1. a), 1. c), 1. d), 2., 3. a) and 6. may not be combined and, as a result, investments in transferable securities and money market instruments of the same issuer made in accordance with points 1. a), 1. c), 1. d), 2., 3. a) and 6. may not, in any event, exceed in total 35% of the net assets of the sub-fund concerned.

### Limitations on control

8.
  - a) The SICAV may not acquire shares carrying voting rights and enabling it to exercise significant influence over the management of an issuer.
  - b) The SICAV may not acquire more than 10% of the non-voting shares of the same issuer.
  - c) The SICAV may not acquire more than 10% of bonds from the same issuer.
  - d) The SICAV may not acquire more than 10% of money market instruments from the same issuer.
  - e) The SICAV may not acquire more than 25% of the units of the same UCITS and/or other UCI.

The limits provided for in points 8. c) to e) above may not be respected at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities issued, cannot be calculated.

The limits provided for in points 8. a) to e) above shall not apply with regard to:

- transferable securities and money market instruments issued or guaranteed by an EU Member State or by its local authorities;
- transferable securities and money market instruments issued or guaranteed by a State that is not part of the EU;
- transferable securities and money market instruments issued by international public bodies to which one or more EU Member States belong;
- shares held in the capital of a company from a non-EU country, provided that (i) such company invests its assets mainly in securities of issuers from that country where, (ii) under the laws of that country, such



a participation constitutes the only possibility for the SICAV to invest in securities of issuers from that country, and (iii) such company complies in its investment policy with the rules on risk diversification, counterparty risk and control restrictions set out in points 1. a), 1. c), 1. d), 2., 2., 3. a), 5. a) and b), 6., 7. and 8. a) to e) above;

- shares held in the capital of subsidiary companies carrying on management, advisory or marketing activities solely for the exclusive benefit of the SICAV in the country where the subsidiary is located with regard to the redemption of shares at the request of shareholders.

### **Borrowings**

9. Each sub-fund is authorised to borrow up to 10% of its net assets provided that (a) they are temporary loans or (b) they enable the acquisition of property essential for the direct conduct of its business. Each sub-fund may also acquire currencies through a type of face-to-face loan.

Commitments related to options contracts, purchases and sales of futures contracts are not considered as borrowings for the calculation of this investment limit.

In addition, the borrowings referred to in points a) and b) above do not exceed, in total, 15% of the net assets of the sub-fund concerned.

### **Finally, the SICAV ensures that the investments of each sub-fund comply with the following rules:**

10. The SICAV may not grant loans or act as guarantor on behalf of third parties. This restriction shall not prevent the acquisition of transferable securities, money market instruments or other financial instruments which are not fully paid up.
11. The SICAV may not engage in short sales of transferable securities, money market instruments or other financial instruments mentioned in section 3 (e), (f) and (h) above.
12. The SICAV may not acquire real estate, unless such acquisitions are essential for the direct conduct of its business.
13. The SICAV may not acquire raw materials, precious metals or certificates representing them.
14. The SICAV may not issue warrants or other instruments conferring the right to acquire shares of the SICAV.

### **Notwithstanding all the above provisions:**

15. The limits set previously may not be respected when exercising subscription rights relating to transferable securities or money market instruments which form part of the assets of the sub-fund concerned.

While ensuring compliance with the principle of risk spreading, the SICAV may depart from the diversification limits set out in points 1. to 3. b), 5. a) to b) and 6. to 7. above for a period of 6 months following the date of its authorisation.

16. When the above maximum percentages are exceeded beyond the SICAV's control or as a result of the exercise of rights attached to the securities in its portfolio, the SICAV must, in its sales transactions, have as a priority objective the regularisation of the situation, taking into account the interests of the shareholders.

The SICAV reserves the right to introduce, at any time, other investment restrictions, provided that they are necessary to comply with the laws and regulations in force in certain States where the SICAV's shares may be offered and sold.

## IV. THE SHARES

### 1. GENERAL INFORMATION

The SICAV's capital is represented by the assets of the SICAV's various sub-funds. Subscriptions are invested in the assets of the sub-fund concerned.

All shares of the SICAV must be fully paid up. Their issue is not limited in number. Nevertheless, the Board of Directors may make the issue of shares in a sub-fund and/or class of shares conditional on the interests of the shareholders of that sub-fund and/or class of shares, in which case an opinion will be communicated in advance to the corresponding shareholders to the extent required by the 2010 Law. In particular, the Board of Directors may decide that the shares of a sub-fund and/or a share class shall only be issued during one or more specified periods of time.

The shares of each sub-fund have no value and do not give any preferential subscription rights when new shares are issued. The rights attached to the shares are those set out in the Luxembourg law of 10 August 1915 on commercial companies and its amending laws, provided that they are not derogated from by the 2010 Law. Each whole share entitles its holder to one vote at General Meetings of Shareholders, regardless of its NAV.

The SICAV is a single legal entity. However, the assets of a given sub-fund shall only be liable for the debts, commitments and obligations relating to that sub-fund. In the relations between shareholders, each sub-fund is treated as a separate entity.

### 2. CHARACTERISTICS OF THE SHARES

#### a) Classes and classes of shares

For each sub-fund, the Board of Directors may decide at any time to issue different classes of shares, which may themselves be subdivided into share categories (accumulation shares or distribution shares), or to close a share class.

On the date of the Prospectus, the Board of Directors has decided to issue the following share classes for each sub-fund, distinguished in particular by the type of investors, and/or the minimum investment amount, and/or the accounting currency, and/or the applicable management and marketing fee, and/or a hedging policy and/or a subsequent subscription deadline, if applicable:

For the sub-fund:

- Class "A": capitalization share denominated in Euro and intended for all types of investors
- Class "M": capitalisation share denominated in Euro and intended for the Management Company, the founders and staff of the Management Company and their descendants
- Class "B": capitalization share denominated in Euro and intended for all types of investors

Capitalization shares do not confer the right to receive dividends. Following each distribution of cash dividends - annual or interim - to the distribution shares, the portion of the net assets of the sub-fund or class to be allocated to all distribution shares will be reduced by the same amount as the dividends distributed, thus resulting in a decrease in the percentage of the sub-fund's or class' net assets attributable to all distribution shares, while the percentage of the sub-fund's or class' net assets attributable to all accumulation shares will remain the same, thus increasing the percentage of the sub-fund's or class' net assets attributable to all accumulation shares.

The breakdown of the value of the net assets of a given sub-fund or class between all distribution shares on

## MONOCLE FUND SICAV

the one hand, and all accumulation shares on the other hand, is made in accordance with Article 17 of the Articles of Association.

The NAV of a share is therefore a function of the value of the net assets of the sub-fund or class in respect of which it is issued, and, within the same sub-fund or class, its NAV may vary according to whether it is a distribution share or an accumulation share.

The Board of Directors shall establish a separate pool of net assets for each sub-fund. In the relations between shareholders, this amount will be allocated solely to the shares issued in respect of the sub-fund concerned, taking into account, where applicable, the breakdown of this amount between the classes and distribution shares and the accumulation shares of this sub-fund.

The Board of Directors may subdivide the existing shares of each class and/or category of shares into a number of shares that it determines itself, the total NAV of which shall be the equivalent of the NAV of the existing sub-divided shares at the time of the subdivision.

### b) **Registered shares**

All shares, regardless of the sub-fund or category to which they belong, will be issued in the form of registered shares. There will be no issuance of dematerialized share(s).

Registered shares are recorded in the SICAV's share register. A confirmation of registration will be given to the shareholder. No registered certificates will be issued to shareholders unless expressly requested by them.

Transfer documents for transfers of registered shares are available at the registered office of the SICAV or from the Transfer Agent and Registrar.

The Board of Directors is entitled, if it deems it appropriate, to refuse any transfer, assignment or sale of shares of the SICAV if it reasonably believes that such transfer, assignment or sale would result in the holding of shares by an Unauthorised Person, either immediately or subsequently.

Arrangements may be made for shares to be held in accounts opened at Clearstream or Euroclear.

Registered shares may not be converted into dematerialised shares.

### c) **Share fractions**

Fractions of shares will be issued to three decimal places. Fractions of shares do not have voting rights at General Meetings. However, fractions of shares are entitled to dividends or other distributions that may be paid.

### d) **ISIN codes**

<b>Compartment</b>	<b>Class</b>	<b>ISIN code</b>
<b>MONOCLE FUND SICAV</b>	<b>A EUR (cap)</b>	LU1116040533
	<b>EUR m (cap)</b>	LU1116043040
	<b>B EUR (cap)</b>	LU1500599094

### 3. **ISSUANCE AND SUBSCRIPTION PRICE OF SHARES**

The Board of Directors is authorised to issue shares of each sub-fund and of each class at any time and without limitation.

The shares of all sub-funds are issued at a price corresponding to the NAV per share.

The NAV is calculated daily.

Subscription requests are centralised on the Valuation Day before 12 noon (Luxembourg time). Consequently, subscription requests received on the Valuation Day after the 12 noon deadline will be processed on the next Valuation Day.

The Valuation Day corresponds to each business day in Luxembourg on which the NAV is determined at the closing prices of that day. If this day is not a business day, the Valuation Day will be the first following business day. Subscription requests received by the Transfer Agent and Registrar within the limits described below will be processed, if accepted, at the NAV per share of the relevant sub-fund and class determined on the Valuation Day.

Subscription requests in the sub-funds shall relate exclusively to a number of shares or to an amount to be invested in the sub-fund concerned. For subscriptions received in amounts, the number of shares corresponding to the amount subscribed will include three decimal places.

#### a) **Initial subscriptions**

##### MONOCLE FUND SICAV

Class	Minimum amount of initial subscriptions
A	EUR 100,000
M	EUR 1,000
B	EUR 1,000

#### b) **Subsequent subscriptions**

##### MONOCLE FUND SICAV

Class	Minimum amount of subsequent subscriptions
A	EUR 10,000
M	EUR 1,000
B	EUR 1,000

#### c) **Payment of subscriptions**

The subscription amount for each share is payable by bank transfer only and within the time limits described below:

- Within two (2) business days following the Valuation Day on which the applicable subscription price is determined.

Subscriptions in kind are not permitted.

The subscription amount of the shares will be applied in the currency of calculation of the NAV per share

in the sub-fund/class concerned.

The Board of Directors reserves the right to postpone subscription applications if it is uncertain whether the relevant payment will reach the Custodian within the stipulated payment period.

If payment is received in respect of a subscription application after the expiry of the time limit, the Board of Directors or its agent may deal with such application either (i) by applying a mark-up, taking into account, inter alia, interest due at the usual market rates, or (ii) by cancelling the allotment of the shares and, if applicable, by requesting compensation for any loss resulting from failure to pay before the expiry of the time limit.

### **d) Suspension and refusal of subscriptions**

The Board of Directors of the SICAV may at any time suspend or interrupt the issue of shares of a sub-fund of the SICAV. In particular, it may do so in the circumstances described in Chapter V "NAV of the Shares", Section 2 "Suspension of the Calculation of the NAV and the issue, redemption and conversion of the Shares". In addition, he may at his discretion and without having to justify himself:

- (a) refuse all or part of an application to subscribe for shares,
- (b) redeem at any time shares held by persons who are not authorised to purchase or own shares of the SICAV.

When the Board of Directors decides to resume the issue of shares of a sub-fund after suspending the issue for any period of time, all pending subscriptions will be executed on the basis of the same NAV corresponding to the Valuation Day of the resumption of calculation.

The SICAV is free to refuse subscription requests and to interrupt or limit, temporarily or permanently, the sale of shares.

The Central Administration may refuse any request for subscription or transfer, in whole or in part, for any reason whatsoever, and may in particular prohibit or limit the sale or transfer of shares to natural or legal persons in certain countries, if such a transaction is likely to cause damage to the company or have the effect of directly or indirectly holding shares by Unauthorised Persons (including, in particular, any U.S. Person), or if such subscription or transfer in the country in question violates the laws in force. The subscription or transfer of shares and any future transactions may not be processed until the information requested by the Central Administration has been received, including, inter alia, the information required under the "Know Your Customer" rule and that relating to the verifications concerning the fight against money laundering, described below.

### **e) Fight against Late Trading and Market Timing**

The SICAV's Transfer Agent and Registrar will ensure that adequate procedures are in place to ensure that subscription, redemption and conversion requests are received before the order acceptance deadline in relation to the applicable Valuation Day.

The SICAV will not authorise practices associated with "Late Trading" and "Market Timing" as defined in CSSF Circular 04/146, nor practices associated with "Active Trading" or "Excessive Trading" (hereinafter "Active Trading") defined as subscription/redemption/conversion of shares in the same sub-fund within a short period of time and in a significant amount if applicable, with the aim of seeking short-term profit. Both Active Trading and Market Timing practices are unfavourable to other shareholders because they affect the sub-fund's performance and disrupt asset management.

The Board of Directors reserves the right to reject all subscription and conversion orders suspected of being Active Trading or Market Timing. The Board of Directors may take all necessary measures to protect the SICAV's other shareholders when such practices are suspected, in particular by applying an additional redemption fee of a maximum of 2% payable to the sub-fund, in which case the outgoing shareholder will

receive prior information enabling him to withdraw his redemption request.

### **f) Combating money laundering and terrorist financing**

In the context of the fight against money laundering and terrorist financing, the SICAV will apply the relevant national and international measures that require subscribers to prove their identity to the SICAV. For the subscription to be considered valid and acceptable by the SICAV, the subscriber must therefore attach to the subscription form,

- if it is a *natural person*, a copy of one of its identity documents (passport or identity card), or,
- if it is a *legal entity*, a copy of its corporate documents (such as its coordinated articles of association, published balance sheets, extract from the commercial register, list of authorised signatures, list of shareholders holding directly or indirectly 25% or more of the capital or voting rights, list of directors, etc.) and identity documents (passport or identity card) of its beneficiaries and persons authorised to give instructions to the Transfer Agent and Registrar.

These documents must be duly certified by a public authority (e. g. notary, police commissioner, consul, ambassador) in the country of residence.

This obligation is absolute, unless

- the subscription form is delivered to the SICAV by one of its distribution agents located (i) in one of the Member States of the EU, the European Economic Area or a third country imposing equivalent obligations within the meaning of the amended law of 12 November 2004 on the fight against money laundering and terrorist financing, or (ii) by a subsidiary or branch of its distributors located in another country, if the parent company of that subsidiary or branch is located in one of those countries and if either the legislation of that country or the internal rules of the parent company ensure the application of the rules on the prevention of money laundering and terrorist financing to that subsidiary or branch.
- the subscription form is sent directly to the SICAV and the subscription is paid either by:
  - a bank transfer originated by a financial institution resident in one of these countries, or,
  - a cheque drawn on the personal account of the subscriber of a bank resident in one of these countries or a bank cheque issued by a bank resident in one of these countries.

However, the Board of Directors must obtain from its distribution agents or directly from the investor a copy of the identification documents as described above, at first request.

Before accepting a subscription, the SICAV may undertake further investigations in accordance with existing national and international measures to combat money laundering and terrorist financing.

## **4. REPURCHASE OF SHARES**

Under the Articles of Incorporation and subject to the following provisions, each shareholder has the right, at any time, to have his shares redeemed by the Fund, by bank transfer only. Shares redeemed by the Fund will be cancelled. Redemptions in kind are not permitted.

Shareholders who wish to have all or part of their shares redeemed by the Fund must make an irrevocable request in writing to the Fund or to the Transfer Agent and Registrar. This request must contain the following information: the identity and exact address of the person requesting the redemption, including a fax number, the number of shares to be redeemed, the sub-fund, the class (if any) to which these shares belong, whether they are registered or book-entry shares, accumulation or distribution shares, if applicable, the name in which the shares are registered, the name and bank details of the person appointed to receive payment

The redemption request must be accompanied by the documents necessary to effect their transfer before the

redemption price can be paid.

All shares presented for redemption to the Transfer Agent and Registrar within the limits described below will be processed, if accepted, on the basis of the NAV per share of the sub-fund and class concerned determined on that Valuation Day. Redemption requests received after this deadline will be processed on the following Valuation Day.

### **MONOCLE FUND SICAV**

Redemption requests are centralised on the Valuation Day before 12 noon (Luxembourg time). Consequently, redemption requests received on the Valuation Day after the 12 noon deadline will be processed on the next Valuation Day, i.e. the next business day (Luxembourg day).

The Valuation Day corresponds to each business day in Luxembourg on which the NAV is determined at the closing prices of that day. If this day is not a business day, the Valuation Day will be the first following business day.

Payment for redeemed shares will be made within the time limits described below, provided that all documents evidencing the redemption have been received by the Fund:

### **MONOCLE FUND SICAV**

- Within two (2) business days after the Valuation Day on which the applicable subscription price is determined.

Payment will be made in the currency in which the NAV is calculated in the sub-fund/share class concerned or in another currency in accordance with the instructions given in the redemption request, in which case the conversion costs will be borne by the shareholder.

The redemption price of the Fund's shares may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the NAV has appreciated or depreciated.

No shares of a given sub-fund will be redeemed during any period in which the calculation of the NAV of the shares of that sub-fund is temporarily suspended by the Fund by virtue of the powers conferred on it by Article 17 of the Articles of Association. In the event of significant redemption requests representing more than 10% of the net assets of a given sub-fund, the Fund reserves the right to redeem the shares only at the redemption price as determined after it has been able to sell the necessary assets as quickly as possible, taking into account the interests of all the sub-fund's shareholders, and after it has been able to dispose of the proceeds of these sales. In such a case, a single price will be calculated for all redemption, subscription and conversion requests submitted at the same time for this sub-fund.

The Board of Directors is authorised to proceed with the compulsory redemption of all shares held by an Unauthorised Person.

If the Board of Directors discovers at any time that a beneficial owner of shares in one of the Fund's sub-funds is an Unauthorised Person, either alone or jointly with any other person, either directly or indirectly, the Board of Directors may, if it deems appropriate and without incurring any liability, proceed with the compulsory redemption of such shares in accordance with the rules set out in the Fund's Articles of Association. Upon such redemption, the Unauthorised Person shall cease to be the owner of such shares.

The Board of Directors may request any shareholder of the Fund to provide any information it deems necessary to determine whether such shareholder is or will be an Unauthorised Person.

Shareholders will also be required to inform the Fund immediately if the ultimate beneficial owner of the shares held by such shareholders becomes or is about to become an Unauthorised Person.

**5. CONVERSION OF SHARES**

Pursuant to the Articles of Association and subject to the following provisions, each shareholder may request the conversion of all or part of his shares into shares of another sub-fund or another class/category (and within such other sub-fund, either of the same class/category or of another class/category), at a price based on the respective net values of the shares of the different sub-funds and class/categories concerned.

A shareholder wishing such a conversion may make a written request to the Transfer Agent and Registrar, indicating the amount to be converted and the form of the shares to be converted and specifying, in addition, whether the shares of the new sub-fund/class/category must be registered or booked.

The terms and conditions and notice of share repurchase also apply to the conversion of shares.

The Central Administration may refuse any request for conversion, in whole or in part, for any reason whatsoever, and may in particular prohibit or limit the conversion of shares to natural or legal persons in certain countries, if such a transaction is likely to cause damage to the SICAV or to have the effect of directly or indirectly holding shares by Unauthorised Persons (including, in particular, any U.S. Person), or if such conversion in the country concerned contravenes the laws in force. The conversion of shares and any future transactions may not be processed until the information requested by the Central Administration has been received, including, inter alia, the information required under the "Know Your Customer" rule and that relating to the audits concerning the fight against money laundering.

The number of shares allocated in the new sub-fund/class/category will be determined according to the following formula:

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

- A:** represents the number of shares to be allocated in the new sub-fund or class/category,
- B:** represents the amount to be converted in the initial sub-fund or class/category,
- C:** represents the NAV, on the applicable Valuation Day, of the shares to be converted into the sub-fund or the initial class/category,
- D:** is the exchange coefficient on the Valuation Day applicable between the currencies of the two sub-funds or classes/categories concerned. If both sub-funds or classes/categories are held in the same currency, the coefficient is equal to 1,
- E:** represents the NAV, on the applicable Valuation Day, of the shares to be allocated in the new sub-fund or class/category.

After the conversion, the Transfer Agent and Registrar will inform the shareholders of the number of new shares obtained at the time of the conversion, as well as their price.

No conversion of shares will be made during any period when the calculation of the NAV of the shares concerned is temporarily suspended by the SICAV by virtue of the powers conferred on it by Article 17 of the Articles of Association. In the event of significant requests for conversion to another sub-fund representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right to redeem the shares only at the redemption price as determined after it has been able to sell the necessary assets as soon as possible, taking into account the interests of all the sub-fund's shareholders, and after it has had access to the proceeds of such sales. In such a case, a single price will be calculated for all redemption, subscription and conversion requests submitted at the same time for this sub-fund.



**V. NET ASSET VALUE OF SHARES**

**1. DEFINITION AND CALCULATION OF THE NET ASSET VALUE (NAV)**

The calculation of the NAV per share of each sub-fund, and where applicable of each class/category of shares of the SICAV, is carried out in Luxembourg by the Central Administration under the responsibility of the SICAV's Board of Directors.

The NAV is determined on each Valuation Day as defined below for each sub-fund and/or each class and/or each category on the basis of the prices known on that Valuation Day, as published by the stock exchanges concerned and by reference to the value of the assets held on behalf of the sub-fund concerned in accordance with Article 17 of the SICAV's Articles of Association.

**MONOCLE FUND SICAV**

The Valuation Day is the business day (in Luxembourg) on which the net value is calculated (at the closing price of that day). If this day is not a business day, the Valuation Day will be the first following business day.

The Calculation Day is the day on which the NAV is calculated (at the closing prices of the Valuation Day) and published. The Calculation Day therefore occurs on Valuation Day + 1.

The value of the shares of each sub-fund, class and category of shares is obtained by dividing the NAV the assets of the sub-fund, class and category, as the case may be, by the number of shares in circulation of these sub-funds, classes and categories, as the case may be.

The Board of Directors shall establish a separate pool of net assets for each sub-fund. In the relations between shareholders and with third parties, this amount will be allocated solely to the shares issued in respect of the sub-fund concerned, taking into account, where applicable, the breakdown of this amount between the categories and/or classes of shares, in accordance with the provisions of the Articles of Association.

For the purpose of establishing these different masses of net assets:

1. if two or more share classes/categories relate to a given sub-fund, the assets allocated to these classes and/or categories will be invested together in accordance with the investment policy of the sub-fund concerned, subject to the specific features of these share classes and/or categories;
2. the proceeds resulting from the issue of shares of a class and/or category of shares of a given sub-fund will be allocated in the books of the SICAV to the relevant class and/or category of that sub-fund, it being understood that, if several classes and/or categories of shares are issued under this sub-fund, the corresponding amount will increase the proportion of the net assets of this sub-fund attributable to the class and/or category of shares to be issued;
3. the assets, liabilities, income and expenses relating to these sub-funds/class and/or category shall be allocated to these sub-funds/class and/or category;
4. when an asset derives from an asset, this asset will be allocated, in the books of the SICAV, to the same sub-fund to which the asset from which it derives belongs and to each revaluation of an asset, the increase or decrease in value will be allocated to the corresponding sub-fund;
5. when the SICAV incurs a liability that is attributable to an asset of a given sub-fund or to a transaction carried out in connection with an asset of a given sub-fund, such liability will be allocated to that sub-fund;
6. in the event that an asset or liability of the SICAV cannot be allocated to a given sub-fund, such asset or liability will be allocated to all sub-funds in proportion to the net asset value of the classes and/or

## MONOCLE FUND SICAV

categories of shares concerned or in such other way as the Board of Directors will determine in good faith;

7. following the payment of dividends to distribution shares of a given class and/or category, the NAV of that class and/or category attributable to those distribution shares will be reduced by the amount of those dividends.

The valuation of the assets of each sub-fund of the SICAV will be carried out in accordance with the following principles:

1. the shares/units of UCIs will be valued on the basis of their last official NAV available on the Valuation Day, or unofficial if it is more recent (in this case on the basis of a probable NAV estimated prudently and in good faith by the Board of Directors, or on the basis of other sources such as information from the manager of the UCI);
2. the value of cash on hand or on deposit, bills and notes payable on demand and accounts receivable, prepaid expenses, dividends and interest that have matured but not yet received, shall be constituted by the nominal value of these assets, unless it is unlikely that such value can be received. In the latter case, the value will be determined by deducting a certain amount that appears adequate to reflect the real value of these assets;
3. the valuation of securities (i) listed or traded on a regulated market within the meaning of the 2010 Law or (ii) traded on another market of an EU Member State which is regulated, in regular operation, recognised and open to the public or (iii) admitted to official listing on a stock exchange of a State which is not part of the EU or traded on another market in a State which is not part of the EU, regulated, in regular operation, recognised and open to the public (the three can also be qualified as "Regulated Market"), is based on the last known closing price on the Valuation Day and if these securities are traded on several markets, on the basis of the last known closing price of the main market for these securities on the Valuation Day. If the last known closing price on the given Valuation Day is not representative, the valuation will be based on the probable realisation value estimated prudently and in good faith;
4. securities that are not listed or not negotiable on a Regulated Market will be valued on the basis of the probable realisation value estimated prudently and in good faith;
5. the settlement value of futures and options contracts that are not traded on Regulated Markets shall be equal to their net settlement value determined in accordance with the policies established by the Board of Directors, on a basis consistently applied to each type of contract. The settlement value of futures or options contracts traded on Regulated Markets shall be based on the last available settlement price of such contracts on the Regulated Markets on which such futures or options contracts are traded by the SICAV; provided that if a futures or options contract cannot be settled on the day on which the net assets are valued, the basis for determining the settlement value of such contract shall be determined by the Board of Directors in a fair and reasonable manner;
6. interest rate swaps will be valued at their market value determined by reference to the applicable interest rate curve. Swaps on indices or financial instruments will be valued at their market value established by reference to the index or financial instrument concerned. The valuation of swap contracts relating to these indices or financial instruments will be based on the market value of these swap transactions in accordance with procedures established by the Board of Directors;
7. if practice permits, liquid assets, money market instruments and all other instruments may be valued at the last known closing prices on the Valuation Day or on a straight-line basis. In the

case of straight-line depreciation, the portfolio positions are reviewed regularly under the direction of the Board of Directors to determine whether there is a difference between the valuation using the last known closing prices method and the straight-line depreciation method. If there is a difference that could lead to significant dilution or damage to shareholders, appropriate corrective measures may be taken, including, if necessary, the calculation of the NAV using the last known closing prices;

8. values expressed in a currency other than the currency of expression of the sub-fund or share class in question are converted at the exchange rate on the Valuation Day. If exchange rates are not available, they are determined prudently and in good faith in accordance with the procedures established by the Board of Directors;
9. all other assets are valued on the basis of their probable realizable value, which must be estimated prudently and in good faith;
10. the Board of Directors may, at its discretion, allow the use of another valuation method if it considers that such valuation better reflects the fair value of an asset of the SICAV.

Appropriate deductions will be made for the expenses to be borne by the SICAV and the liabilities of the SICAV will be taken into consideration according to fair and prudent criteria. To this end, adequate provisions will be made.

### **2. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The Board of Directors is authorised to temporarily suspend the calculation of the NAV of one or more sub-funds of the SICAV, as well as the issue, redemption and conversion of the shares of such sub-fund(s) in the following cases:

- a) when the NAV of the shares or units of the underlying UCIs representing a substantial proportion of the sub-fund's investments cannot be determined;
- b) during all or part of a period during which one of the main stock exchanges or regulated markets on which a substantial part of the portfolio of one or more sub-funds is listed or traded is closed for a reason other than normal holiday or during which trading is restricted or suspended;
- c) when the SICAV cannot normally dispose of or value the investments of one or more sub-funds or cannot do so without seriously prejudicing the interests of its shareholders;
- d) when the means of communication necessary for determining the price or value of the assets of one or more sub-funds are out of service or if, for any other reason, the value of the assets of one or more sub-funds cannot be determined;
- e) when the making of investments or the transfer of funds involved in such investments cannot be made at normal prices or exchange rates, or when the SICAV is unable to repatriate funds for the purpose of making payments on the redemption of shares;
- f) in the event of significant redemption and/or conversion requests representing more than 10% of the net assets of a given sub-fund (but only up to the proportion of such requests exceeding 10% of the net assets of that sub-fund), the SICAV then reserving the right to redeem the shares only at the redemption price as determined after it has been able to sell the necessary assets as soon as possible, taking into account the interests of all the sub-fund's shareholders, and after having been able to dispose of the proceeds of such sales;
- g) when the Board of Directors so decides, subject to compliance with the principle of equal treatment between shareholders and applicable laws and regulations, (i) upon convening an extraordinary

## MONOCLE FUND SICAV

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General Meeting of shareholders of the SICAV to decide on the liquidation or merger of the SICAV or a sub-fund, or (ii) when the Board of Directors has the power to do so, upon its decision to liquidate or merge a sub-fund;

- h) when there is a business situation which, in the eyes of the SICAV, constitutes a state of necessity whereby the sale or availability of the assets attributable to a given sub-fund of the SICAV is not reasonably practicable or holdable or is likely to be seriously prejudicial to the shareholders.

In addition, without prejudice to Article 11(2) and Article 28(1)(b) of the 2010 Law, if a UCITS/master sub-fund temporarily suspends the redemption, refund or subscription of its shares/units, either on its own initiative or at the request of its competent authorities, a feeder sub-fund of the SICAV (in the same way as all other feeder sub-funds of the UCITS/master sub-fund) is entitled to suspend the redemption, refund or subscription of its shares, notwithstanding the conditions provided for in Article 12(1) and Article 28(5) of the 2010 Law for a period identical to that of the UCITS/master sub-fund.

Subscribers and shareholders offering shares for redemption or conversion will be notified of the suspension of the calculation of the NAV.

Pending subscriptions and redemption or conversion requests may be withdrawn by written notification provided that such notification is received by the SICAV before the suspension is terminated.

Pending subscriptions, redemptions and/or conversions will be taken into consideration on the first Valuation Day following the termination of the suspension.

## VI. DISTRIBUTIONS

**At the date of the Prospectus, only accumulation shares will be issued and, consequently, the income from the shares is capitalised and their value is reflected in the NAV per share.**

In the event that the Board of Directors decides to issue distribution shares, the following provisions shall apply.

### **Distribution policy**

At the Annual General Meeting, the shareholders of the SICAV will determine, on the proposal of the Board of Directors, the amount of cash distributions to be made to the distribution shares of the various sub-funds or share classes concerned, within the limits set by the 2010 Law and the Articles of Association. Thus, the amounts distributed may not have the effect of reducing the SICAV's capital below the minimum capital set at EUR 1,250,000.

The Board of Directors may decide, in each sub-fund and each share class, as the case may be, to distribute interim cash dividends to the shares, in accordance with the legal provisions in force.

### **Payment in instalments**

Dividends and interim dividends allocated to the distribution shares will be paid on the dates and at the place determined by the Board of Directors.

Any declared dividend that has not been claimed by its beneficiary within five years of its allocation may no longer be claimed and will revert to the sub-fund or share class concerned. No interest will be paid on a dividend declared by the SICAV and held by it at the disposal of its beneficiary.

**1. TAX TREATMENT OF THE SICAV**

In Luxembourg, the SICAV is subject to a tax corresponding to 0.05% per annum of its net assets; this tax is reduced to 0.01% per annum of the net assets attributable to share classes reserved for institutional investors. This tax is payable quarterly and is based on the SICAV's net assets at the end of each quarter. The subscription tax is not due on the proportion of assets invested in UCIs already subject to the application of this tax. No stamp duty and no tax will be payable in Luxembourg when the shares of the SICAV are issued.

No tax is payable in Luxembourg on the realised or unrealised capital gain on the SICAV's assets. Investment income received by the SICAV may be subject to variable rates of withholding tax in the countries concerned. These withholdings cannot in principle be recovered. The information given above is based on current laws and practices and may be subject to change.

U.S. FATCA regulations require non-U.S. financial institutions ("FFIs") to provide information about certain U.S. persons who have accounts or investments with them or who are economic beneficiaries of their accounts or investments.

In accordance with the Luxembourg law of 24 July 2015 transposing the Intergovernmental Agreement concluded on 28 March 2014 between the Grand Duchy of Luxembourg and the United States of America ("Luxembourg FATCA Regulation"), Luxembourg FFIs must provide the Luxembourg Inland Revenue annually, personal and financial information relating, in particular, to the identification of assets held and payments made to specified US persons, to certain non-financial foreign entities held substantially by specified US persons and to FFIs that do not comply with the FATCA regulations applicable to them.

The SICAV is defined as a Luxembourg FFI, which will therefore be subject to the provisions of the Luxembourg FATCA Regulations.

Failure to provide such information may result in a withholding tax of 30% applicable to certain income of the Fund from US sources (including dividends and interest) and the gross proceeds from the sale or disposal of assets of the Fund that may generate US source interest or dividends.

**2. TAX TREATMENT OF SHAREHOLDERS**

**The impact of taxation on potential investors wishing to subscribe for, acquire, hold, convert, sell, transfer or redeem shares of the SICAV will depend on the laws and regulations of the jurisdictions applicable to them. The SICAV recommends that potential investors and shareholders seek information and independent legal and tax advice with respect to the laws and regulations applicable to them. It is the responsibility of each shareholder to inquire about the tax treatment applicable to him or her under the law of his or her country, nationality or residence.**

Automatic Exchange of Information (EAI)/Directive on Administrative Cooperation in the Tax Field (DAC).

In February 2014, the OECD published the main elements of a comprehensive standard for the automatic exchange of information on financial accounts in tax matters, namely a Model Agreement between Competent Authorities and a Common Reporting Standard (CRN). In July 2014, the OECD Council published the entire standard, including the remaining elements, namely Comments on the Model Agreement between Competent Authorities and on the Common Reporting Standard and the Information Technology Modalities for the Implementation of the Global Standard. The full text of the global standard was supported by G20 Finance Ministers and Central Bank Governors in September 2014. The NCD is the first step of the participating jurisdictions towards a commitment to implement the above regulations by 2017 or 2018 and to ensure the effective exchange of information with their respective relevant exchange partners.

With regard to the European Union - and therefore Luxembourg - the scope of the reportable information already provided for in Article 8(5) of Directive 2011/16/EU DAC has been extended to include the recommendations included in the IAE. Thus, all members of the European Union will effectively exchange information as early as September 2017 for the calendar year 2016 (except Austria, where declarations will start in 2018 for the calendar year 2017).

The EAI was fully implemented in Luxembourg by a law published in the *Mémorial A Journal Officiel du Grand-Duché de Luxembourg* on 24 December 2015. The EAI Law officially came into force on 1 January 2016 in Luxembourg.

The application of either of these regulations will require financial institutions to determine the place(s) of residence of shareholders for tax purposes and to declare to the competent local authority any account held by a relevant shareholder (i.e. shareholders resident in a relevant jurisdiction for tax purposes). The information to be reported includes the name, address, Tax Identification Number (TIN), account balance or value at the end of the calendar year concerned. In order to determine the residence of shareholders for tax purposes, financial institutions will review the information contained in their client files. Unless the shareholder provides a valid self-certification indicating his residence for tax purposes, the financial institution will declare the account as belonging to a shareholder residing in all jurisdictions for which indications have been found.

## VIII. CHARGES AND EXPENSES

### 1. MAIN EXPENSES AND FEES OF THE SICAV

#### a) First establishment costs

In the event of the creation of a new sub-fund, the costs of setting up this new sub-fund will be borne by the assets of this same sub-fund.

#### b) Management, distribution and performance fees

##### 1) Management and distribution fee

As remuneration for management and distribution services, the Sub Fund is charged an annual fee at the rate of:

Compartment	Share classes	Rates
<b>MONOCLE FUND SICAV</b>	<b>A</b>	0.95% per year
	<b>B</b>	1.50% per year
	<b>M</b>	0.95% per year

These fees are payable monthly to the Management Company and calculated on the basis of the average net assets of the sub-funds during the month under review.

##### 2) Performance fee

#### a) Performance fee for the Monocle Fund sub-fund in effect until 12/31/2023

With the exception of class "M", a performance fee will be calculated for each share class of the **MONOCLE FUND SICAV-Monocle Fund** sub-fund, in their respective currencies.

Basis of the performance fee: Assets net of all fees, before performance fee

Benchmark: 1% + [Eurozone HICP ex Tobacco<sup>2</sup>]

Provisioning rate: 10% of the performance above the minimum ("Hurdle Rate")

WITH a "High on High" mechanism<sup>3</sup>

Model: Indexed asset

Crystallization frequency: Annual

Methodology: Hurdle Rate + High on High

Catch-up of past underperformance: No time limit

The performance fee is calculated by comparing the assets of each share class with the reference assets. The assets of each share class of the sub-fund are considered net of operating and management costs, before deduction of the performance fee.

The reference asset is defined as the asset that has achieved a performance identical to that of the reference indicator defined above (also known as the "hurdle rate"), while recording the same subscription and

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<sup>2</sup> Index measuring Eurozone inflation, available on the Agence France Trésor page of Bloomberg: TRES+ "GO" then Inflation Indexed OATS: Euro Zone Indices or on the Agence France Trésor website <http://www.aft.gouv.fr>.

<sup>3</sup> Performance fee model in which the performance fee can only be charged if the NAV exceeds the NAV at which the performance fee was last crystallised.



## MONOCLE FUND SICAV

redemption movements as each share class.

The Hurdle Rate corresponds to the Eurozone HICP ex Tobacco index plus 1% annualised.

At the time of each NAV calculation, the performance fee is equal to 10% of the performance in excess of that of the reference asset, and is subject to a provision. Between two closings, the provision is adjusted by means of provision allocations/reversals. Provision reversals are capped at the level of the allocations.

A "high on high" principle applies, combined with a performance condition in relation to the previously defined reference asset. Thus, performance fees will be provisioned when i) the performance of each share class of the sub-fund exceeds that of the reference asset since the last crystallisation date (or, failing that, since inception) and ii) the NAV is higher than the last closing NAV at which a performance fee was charged.

The performance fee is conditional upon a positive performance of the sub-fund.

For each sub-fund, the basis for calculating the outperformance is the assets net of all expenses before deduction of the performance fee.

The performance fee is charged directly at each NAV. This fee is deducted from the last NAV of the calendar year.

If redemptions are centralised in the presence of a provision for the performance fee, the portion of the provisioned fee corresponding to the units redeemed is definitively acquired by the Management Company.

The provision made is definitively crystallised and acquired by the Management Company at the end of each financial year.

### ILLUSTRATION FOR MONOCLE FUND SICAV SUB FUND:

Year	Fund Performance	Benchmark Performance	Over/under performance	(Under)performance to be compensated in N+1	Underperformance to catch up versus HoH	Performance fee
Y1	5	3	2			YES
Y2	-1	-2	1		-1	NO*
Y3	4	0	4			YES
Y4	-3	-1	-2	-2	-3	NO
Y5	5	7	-2	-4		NO
Y6	3	2	1	-3		NO
Y7	-2	-3	1	-2		NO
Y8	2	2	0	-2		NO
Y9	4	1	3			YES**
Y10	9	3	6			YES
Y11	4	1	3			YES
Y12	3	5	-2	-2		NO
Y13	6	5	1	-1		NO***
Y14	-3	0	-3	-4		NO****
Y15	-2	-1	-1	-5		NO
Y16	6	6	0	-5		NO
Y17	7	3	4	-1		NO
Y18	5	4	1			NO
Y19	7	3	4			YES

\* The performance fee is nil if the net asset value does not exceed the "High on High" (last crystallisation net asset value)

\*\* The net asset value exceeds the "High on High" AND the fund outperforms its reference asset since the last crystallization

\*\*\* The net asset value exceeds the "High on High" BUT the fund does not outperform its reference asset since the last crystallization

\*\*\*\* The net asset value is below the "High on High" and underperforms its benchmark

#### b) Performance fee for the Monocle Fund sub-fund as of 01/01/2024

With the exception of the "M" class, a performance fee will be calculated for each share class of the Monocle Fund sub-fund in their respective currencies.

Performance fee basis: assets net of all expenses, before performance fee

Benchmark: 3% + capitalized €STR

Provisioning rate: 14.95% of performance in excess of minimum hurdle rate WITH "High on High" mechanism

Model: Indexed asset

Crystallization frequency: Annual

Methodology: Hurdle Rate + High on High

Catch-up of past underperformance: No time limit

## MONOCLE FUND SICAV

The performance fee is calculated by comparing the assets of each share class with the reference assets. The assets of each share class of the sub-fund are considered net of operating and management costs, before deduction of the performance fee. The reference asset is defined as the asset that has achieved a performance identical to that of the reference indicator defined above (also known as the "Hurdle Rate"), while recording the same subscription and redemption movements as each share class.

The Hurdle Rate corresponds to the capitalized €STR index plus 3% annualized. At each NAV calculation, the performance fee is equal to 14.95% of the performance exceeding that of the reference asset and is subject to a provision. Between two closings, the provision is adjusted by adding to/reversing the provision. Provision reversals are capped at the amount of the allocations.

A "high on high" principle applies, combined with a performance condition relative to the reference asset defined above. Performance fees will be accrued when i) the performance of each share class in the sub-fund exceeds that of the reference asset since the last crystallization date (or, failing that, since inception) and ii) the NAV is above the last closing NAV at which a performance fee was charged.

The performance fee is conditional on positive sub-fund performance. For each sub-fund, the basis for calculating outperformance is assets net of all expenses before performance fees.

The performance fee is charged directly at each NAV. This fee is deducted from the last NAV of the calendar year.

If redemptions are centralized in the presence of a performance fee provision, the Management Company definitively acquires the portion of the provisioned fee corresponding to the units redeemed.

At the end of each financial year, the provision is definitively crystallized and acquired by the Management Company.

### ILLUSTRATION FOR MONOCLE FUND SICAV SUB FUND:

Année	Performance Fonds	Performance Indice	Sur/sous-performance	(Sous)performance à compenser en N+1	Sous performance à rattraper versus HoH	Commission de Performance
Y1	5	3	2			OUI
Y2	-1	-2	1		-1	NON *
Y3	4	0	4			OUI
Y4	-3	-1	-2	-2	-3	NON
Y5	5	7	-2	-4		NON
Y6	3	2	1	-3		NON
Y7	-2	-3	1	-2		NON
Y8	2	2	0	-2		NON
Y9	4	1	3			OUI **
Y10	9	3	6			OUI
Y11	4	1	3			OUI
Y12	3	5	-2	-2		NON
Y13	6	5	1	-1		NON****
Y14	-3	0	-3	-4		NON****
Y15	-2	-1	-1	-5		NON
Y16	6	6	0	-5		NON
Y17	7	3	4	-1		NON
Y18	5	4	1			NON
Y19	7	3	4			OUI

\* La commission de performance est nulle si la valeur liquidative n'excède pas le "High on High" (valeur liquidative de dernière cristallisation)

\*\* La valeur liquidative excède le "High on High" ET le fonds surperforme son actif de référence depuis la dernière cristallisation

\*\*\* La valeur liquidative excède le "High on High" MAIS le compartiment ne surperforme pas son actif de référence depuis la dernière cristallisation

\*\*\*\* La valeur liquidative est sous le "High on High" et sous-performe son indice de référence

***The Board of Directors wishes to draw investors' attention to the fact that this method of calculating the performance fee may lead to distortions between the changes in the NAV per share of each class compared to the others.***

### c) Custodian and Paying Agent Fees

## MONOCLE FUND SICAV

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As remuneration for its activity as custodian bank which it returns to the SICAV, the Custodian will receive a monthly fee from the SICAV, calculated on the basis of the average of the NAV of the assets of the various sub-funds of the SICAV for the month in question, of a maximum of 0.045% per year, with an annual minimum of EUR 25,000, to which transaction costs will be added.

In addition, all reasonable expenses and expenses advanced, including, but not limited to, telephone, telex, fax, electronic transmission and postage costs incurred by the Custodian in the performance of its duties and the expenses of correspondents, shall be borne by the relevant sub-fund of the SICAV. As paying agent, the Custodian may charge the commission in use in the Grand Duchy of Luxembourg.

### **d) Domiciliary Agent, Administrative Agent, Transfer Agent and Registrar Fees**

In remuneration for its activity as domiciliary agent, administrative agent, transfer agent and registrar which it returns to the SICAV, the Central Administration will receive from the SICAV a monthly fee, calculated on the average of the NAV of the assets of the various sub-funds of the SICAV for the month in question, of a maximum of 0.05% per year, with an annual minimum of EUR 30,000, to which are added the transaction costs and costs specific to the function of domiciliary agent. In addition, all reasonable expenses and expenses advanced, including, but not limited to, telephone, telex, fax, electronic transmissions, postage and packing costs incurred by the Central Administration in the performance of its duties and the expenses of correspondents, shall be borne by the relevant sub-fund of the SICAV.

## **2. OTHER EXPENSES BORNE BY THE SICAV**

The SICAV shall bear all its other operating expenses including, without limitation, the costs of establishing and subsequently amending the Articles of Association and other constitutional documents, such as the Prospectus and PRIIPs KID, fees and expenses payable to paying agents, correspondents of the Custodian Bank and other agents and employees of the SICAV, as well as to the SICAV's permanent representatives in the countries where it is subject to registration, the costs of legal assistance and auditing the SICAV's annual accounts, promotional expenses, printing and publication costs of documents relating to the sale of shares, the printing costs of annual and interim financial reports, the costs of holding shareholders' meetings and Board of Directors' meetings, reasonable travel expenses of directors and officers, attendance fees, registration fees, all taxes and duties levied by government authorities and stock exchanges, the costs of publishing issue and redemption prices and all other operating expenses, including financial, banking or brokerage fees incurred in the purchase or sale of assets or otherwise and all other administrative costs.

Fees and expenses that are not attributable to a particular sub-fund will be charged to the various sub-funds in proportion to their respective net assets.

**IX. FINANCIAL YEAR - MEETING**

**1. FISCAL YEAR**

The fiscal year begins on 1 January and ends on 31 December of each year, with the exception of the first financial year, which began on the day the SICAV was incorporated and ended on 31 December 2014.

**2. MEETINGS OF SHAREHOLDERS**

The Annual General Meeting will be held in Luxembourg, at the registered office of the SICAV, or at any other place specified in the notice of meeting, on the last Wednesday of April at 11:00 a.m.

If this day is not a Business Day in Luxembourg, the Annual General Meeting will be held on the first following Business Day.

Notices convening the Annual General Meetings specifying the date, time, place, conditions of admission, agenda and the quorum and majority requirements of Luxembourg law will be published and sent in accordance with Luxembourg law.

The shareholders of the class (es) of shares issued in respect of a sub-fund may, at any time, hold General Meetings for the purpose of deliberating on matters relating solely to that sub-fund.

The resolutions adopted at such meetings apply to the SICAV or the sub-fund concerned respectively.

**X. DISSOLUTION AND LIQUIDATION OF THE SICAV**

**1. GENERAL INFORMATION**

The SICAV may be dissolved on a voluntary or judicial basis.

After its dissolution, the SICAV is deemed to exist for its liquidation. In the event of voluntary liquidation, it remains subject to the supervision of the CSSF.

The net liquidation proceeds of each sub-fund, class or category of shares, if any, will be distributed by the liquidators to the shareholders in proportion to their share in the net assets of the sub-fund or class or category of shares to which they belong, in accordance with the provisions of the Articles of Association.

Liquidation proceeds that could not be distributed to their beneficiaries within nine months of the date of the decision to put them into liquidation will be deposited with the Caisse de Consignation in Luxembourg in favour of their beneficiaries until the end of the legal prescription period.

**2. VOLUNTARY LIQUIDATION**

In the case of a voluntary liquidation, it would be carried out in accordance with the 2010 Act and the 1915 Act, which define the procedure and measures to be taken.

The SICAV may be dissolved at any time by a decision of the General Meeting of Shareholders, acting as if it were to amend the Articles of Association.

In addition, if the SICAV's share capital falls below two thirds of the minimum capital, currently EUR 1,250,000, THE Board of Directors must submit the question of the SICAV's dissolution to the General Meeting, deliberating without any condition of presence and deciding by a simple majority of the shares present or represented at the meeting. If the capital falls below one-quarter of the minimum capital, the Board of Directors must submit the question of the dissolution of the SICAV to the General Meeting, deliberating without any condition of presence; the dissolution may be decided by the shareholders holding one-quarter of the shares present or represented at the meeting. The notice must be given in such a way that the meeting is held within forty days of the date on which it is established that the net assets have fallen below two thirds or one quarter of the minimum capital, respectively.

Upon the dissolution of the SICAV, the liquidation shall be carried out by one or more liquidators, natural or legal persons, approved in advance by the CSSF and appointed by the General Assembly, which shall determine their powers and emoluments.

**3. JUDICIAL LIQUIDATION**

In the case of a judicial liquidation, it would be carried out exclusively in accordance with the 2010 Law, which defines the procedure and measures to be taken.

## **XI. LIQUIDATION AND - MERGING OF SUB-FUNDS**

The Board of Directors may decide to liquidate a sub-fund, class or category of shares if the net assets of such sub-fund, class or category fall below an amount below which the sub-fund, class or category of shares can no longer be adequately managed or if a change in the economic or political situation has an influence on the sub-fund, class or category of shares in question, justifying such liquidation.

The liquidation decision will be notified to the shareholders of the sub-fund, class or category of shares before the effective date of liquidation. The notification will indicate the reasons and the liquidation procedure. The decision and the terms and conditions for closing the sub-fund, class or category of shares will thus be brought to the attention of the shareholders concerned by letter or, if required by Luxembourg law or the countries of distribution, by publication of a notice in the press. This notice will then be published in one or more newspapers in Luxembourg and/or in one or more newspapers with national circulation in the countries where the shares would be distributed, the choice of these newspapers being at the discretion of the Board of Directors.

Unless the Board of Directors decides otherwise in the interest of the shareholders or to maintain equitable treatment between them, the shareholders of the sub-fund, class or category of shares concerned may continue to request the redemption or conversion of their shares, free of charge, on the basis of the applicable NAV, taking into account an estimate of liquidation costs. The SICAV will reimburse each shareholder in proportion to the number of shares held in the sub-fund, class or category of shares. Liquidation proceeds that could not be distributed to their beneficiaries within nine months of the decision to liquidate the sub-fund, class or category of shares will be deposited with the Caisse de Consignation in favour of their beneficiaries until the end of the legal prescription period.

The Board of Directors has the power to decide on the merger, as well as the effective date thereof, of the SICAV, either as an absorbed SICAV or as an absorbing SICAV with another UCITS in accordance with the provisions of the 2010 Law. This decision will be published in the same manner as described above. The publication will contain information relating to this collective investment undertaking. The publication shall be made at least one month before the date on which the contribution takes effect in order to enable shareholders to request the redemption or conversion of their shares, free of charge, before the contribution transaction to this collective investment undertaking becomes effective. At the end of this period, all remaining shareholders will be bound by the decision. If, pursuant to the applicable provisions of the 2010 Law, a general meeting of shareholders were to be convened to rule on such a merger, an ordinary general meeting ruling without quorum requirement and the simple majority would then be competent.

The Board of Directors may decide to merge a sub-fund with another sub-fund of the SICAV or any other UCITS or one of its sub-funds in accordance with the provisions of the 2010 Law. This decision will be published in the same manner as described above. The publication will contain information relating to the new sub-fund. The publication will be made at least one month before the merger becomes effective in order to allow shareholders to request the redemption or conversion of their shares, free of charge, before the transaction becomes effective. At the end of this period, all remaining shareholders will be bound by the decision.

## XII. INFORMATION - AVAILABLE DOCUMENTS

### 1. AVAILABLE INFORMATION

#### a) Publication of the net asset value

The NAV of each class and/or category of shares of each sub-fund, the issue prices and the redemption prices are made public on each Valuation Day at the Sicav's registered office. The Board of Directors may decide at a later date to publish these NAV in the newspapers of the countries in which the shares of the SICAV are offered or sold. They may also be obtained from the Management Company.

#### b) Financial notices

Financial notices will be communicated to shareholders in writing in the form of a letter, email or other modern means of written communication or published in a newspaper in the country where the SICAV is marketed if such publication is required by the applicable laws and regulations.

#### c) Periodic reports

The SICAV publishes annually a detailed report on its activity and the management of its assets, including the consolidated balance sheet and profit and loss account expressed in euros, the detailed composition of the assets of each sub-fund and the report of the auditor.

In addition, it shall publish a report after the end of each half-year, including in particular the composition of the portfolio, movements in the portfolio over the period, the number of shares outstanding and the number of shares issued and repurchased since the last publication.

The Board of Directors of the SICAV may decide to publish interim reports.

The SICAV's audited annual report will be made available to shareholders at the SICAV's registered office no later than four months after the end of the financial year and the unaudited half-yearly reports will be made available to shareholders at the SICAV's registered office no later than two months after the end of the corresponding half-year.

All financial reports will generally be made available to shareholders at the registered office of the SICAV.

### 2. DOCUMENTS AVAILABLE TO THE PUBLIC

#### a) Available documents

In addition to the Prospectus, the PRIIPs, the SICAV's latest published annual and semi-annual reports, copies of the following documents may be obtained, free of charge, during business hours on each Business Day at the SICAV's registered office, 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg:

- i. The Articles of Incorporation
- ii. The Management Agreement between the SICAV and the Management Company
- iii. The Custodian Bank Agreement between the SICAV and Crédit Suisse (Luxembourg) S.A.
- iv. The Central Administration Agreement between the SICAV, the Management Company and CréditSuisse Fund Services (Luxembourg) S.A

Copies of the Prospectus, the PRIIPs KID, the Articles of Association and the latest annual and half-yearly reports can also be consulted on the following websites: [www.fundsquare.net](http://www.fundsquare.net).

Information concerning the procedures for handling investor complaints and a brief description of the Management Company's strategy for determining when and how the voting rights attached to the instruments held in the Company's portfolio should be exercised can be found on the Management Company's website: [www.monocle.lu](http://www.monocle.lu).

**b) Subscription form**

The subscription form may be obtained on request from the Sicav's registered office.

**c) Official languages**

The official language of the Prospectus and the Articles of Association is French, provided, however, that the Board of Directors of the SICAV, the Custodian, the Central Administration, and the Management Company may, on their behalf and on behalf of the SICAV, consider translations into the languages of the countries in which the shares of the SICAV are offered and sold as mandatory. In the event of any discrepancies between the French text and any other language into which the Prospectus is translated, the French text shall prevail. In addition, the Custodian and Central Administration Agreements mentioned above are in English and the Management Agreement is in French.



Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:**  
Monocle Fund (the "Fund")

**Legal entity identifier:**  
O00008360\_00000001

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

**Yes**    **No**

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% 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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The management company systematically integrates the identification and measurement of sustainability risk into its investment process by incorporating environmental and good governance characteristics into its investment strategy. Each issuer is given an overall rating from 0 to 5 based on the evaluation of extra-financial indicators defined according to the different categories of issuers (company or government entity), in parallel to a conventional financial analysis.

All of the Sub-Fund's assets are subject to this rating system, with the exception of cash due to the lack of consensus on the ESG rating methodology for these products. At the same time, the Sub-Fund will apply an exclusion policy which foresees the exclusion of companies active in the thermal coal sector, given the major negative impact of this fuel on the environment, as well as those active in the tobacco sector due to the harmful

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

nature of this product for health and the environment. Finally, the Management Company will undertake to obtain an average portfolio rating of 3/5 or higher and not to invest when the issuer obtains a rating of less than 2/5. In doing so, MONOCLE FUND does not allow any compromise towards issuers whose commitment to the environment and good governance is insufficient. Examples of criteria observed: carbon intensity, carbon emission reduction targets, proportion of waste recycled, proportion of renewable energy consumed, mix of the executive committee, independence of the board, etc.

No benchmark has been designated to achieve the environmental or social characteristics promoted by this Fund.

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

The Sub-Fund's sustainability indicators are as follows:

- The average ESG score of each issuer (greater than or equal to 2/5)
- The weighted average ESG score of the Sub-Fund (greater than or equal to 3/5)
- The number of the Sub-Fund's positions active in the tobacco and thermal coal sector (must be equal to 0)

The ESG scores are determined by the management company.

● ***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?***

The Sub-Fund promotes environmental characteristics in accordance with Article 8 of Regulation (EU) 2019/2088 "SFDR", but does not make "sustainable investments". Therefore, no sustainable investment objectives are set.

● ***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?***

N.A

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

N.A

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

N.A



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

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

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

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

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

- Yes, \_\_\_\_\_
- No, the Management Company does not currently take into account the negative impact of its investment decisions on sustainability factors because this financial product does not make sustainable investments.

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

The Sub Fund's objective is to achieve performance over a recommended investment period of at least 3 years through discretionary, flexible and diversified management. The Compartment invests in the fixed income markets and in the equity markets. The total exposure to fixed income products will vary between 51% and 100% of net asset. Exposition to equities will vary from 0% to 49% of nets assets.

The Management Company seeks to enhance the performance of the Sub-Fund by adding to the bond portion described above a direct equity portfolio selected on the basis of an estimate of their intrinsic value compared to the market value. These direct lines will be relatively concentrated so that each can have a substantial impact on overall performance.

The Management Company has determined a list of factors that are considered material to the companies in which the Fund may invest. The definition of internal scores (0 worst - 5 best) is systematically used to assign internal ESG scores.

ESG ratings are reviewed at least annually, and the Fund's positions are reviewed prior to investment for compliance with the Fund's ESG criteria. As such, this dedicated ESG analysis module is an integral part of the pre-investment analysis process: for a given company, an ESG score is assigned on a scale (0 worst - 5 best); if the ESG score is less



## MONOCLE FUND SICAV

than 2 or if the weighted portfolio score resulting from the investment is less than 3, the company is not eligible for investment, regardless of the quality of the other analysis modules.

Below are the main criteria that the investment team uses for its internal ESG scores, as well as the weights of these criteria in the final issuer score.

Criteria used for rating companies (stocks, corporate bonds) :

	Criteria	Sub-criteria	Weighting	
Environmental Pillar	Carbon emissions	Carbon emissions (scope 1+2)	40%	
		Carbon intensity (scope 1+2)		
		Carbon reduction target		
		Carbon reduction target horizon		
		Carbon emissions (scope 3)		
		Carbon intensity (scope 3)		
		Total carbon intensity (scope 1+2+3)		
	Water, waste and energy	Proportion of waste recycled		30%
		Proportion of renewable energy in the renewable energy mix		
Water consumption intensity				
Governance pillar	Independent members		30 %	
	Mixed			
	Proportion of women in management positions			

Criteria used for government ratings (sovereign bonds):

	Indicators	Rating
Pillar Environment	Environmental Performance Index - Yale University (EPI)*	Each country is examined in depth on the basis of the defined indicators and then given a score from 0 to 5 for each pillar.  The average of the two pillars gives the final E-G score for the state.
	Climate Change Performance Index (CCPI)*	
	Renewable Energy Indicator - RISE	
Governance pillar	Sustainable governance Indicators - Bertelsmann Stiftung SGI	
	Democracy Index - The Economist Intelligence Unit	
	World Justice Project Rule of Law Index	
	Existence of international sanctions	

Furthermore, the Sub-Fund applies an exclusion policy which foresees the exclusion of companies active in the thermal coal sector, given the major negative impact of this fuel on the environment, as well as those active in the tobacco sector due to the harmful nature of this product for health and for the environment.

Finally, in order to assume its responsibilities as an investor, MONOCLE AM exercises its voting rights with a long-term perspective, promoting best practices in governance and social responsibility.

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

The binding criteria used to select the Sub-Fund's investments include three elements:

- To ensure the promotion of environmental and social characteristics and good governance, the overall ESG score of the Fund's portfolio will be equal to or greater than 3/5
- Any target company must have an internal ESG score equal to or greater than 2/5
- No invested securities will be active in the thermal coal sector or in the tobacco sector

For greater clarity, the following are excluded from the investment universe

- companies involved in the production of tobacco ;
- or companies that hold a significant stake (more than 25% of the voting rights) in these companies;
- or companies involved in the wholesale distribution of tobacco (more than 5% of their sales).

For greater clarity, companies active in the thermal coal sector are considered to be:

- enterprises whose annual production of thermal coal exceeds 20 million tons;
- or companies whose turnover depends on the exploitation of thermal coal for more than 20%.

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

N.A

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

The Sub-Fund ensures that investee companies follow good governance practices by analyzing and evaluating their governance structure. The analysis of the company prior to investment and throughout the holding period includes consideration of, but is not limited to, the gender mix of the board of directors, the representation of women in managerial positions, and the level of independence of the board of directors.

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

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

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

## MONOCLE FUND SICAV



To comply with the EU taxonomy, the criteria for fossil gases include emission limits and a switch to renewable electricity or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive rules on nuclear safety and waste management.

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

Transitional activities are activities for which no low-impact alternatives yet exist.

The Sub-Fund will invest all of its assets in securities aligned with the environmental and social characteristics promoted by the Sub-Fund, with the exception of cash due to the lack of consensus on the ESG valuation methodology of these products.

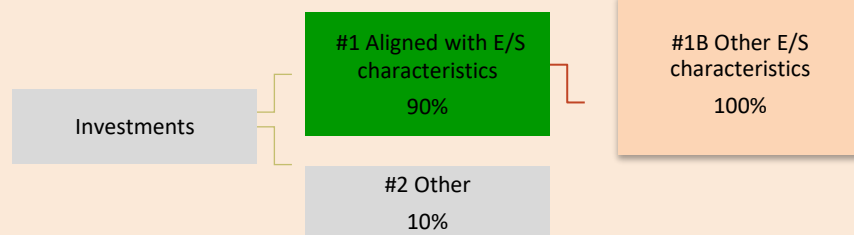
Thus, the exclusion criteria will be applied to all the portfolio's assets except cash.

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

The use of derivatives by the Sub-Fund are not used for ESG purposes.



[Include only relevant boxes, remove irrelevant ones for the financial product]



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

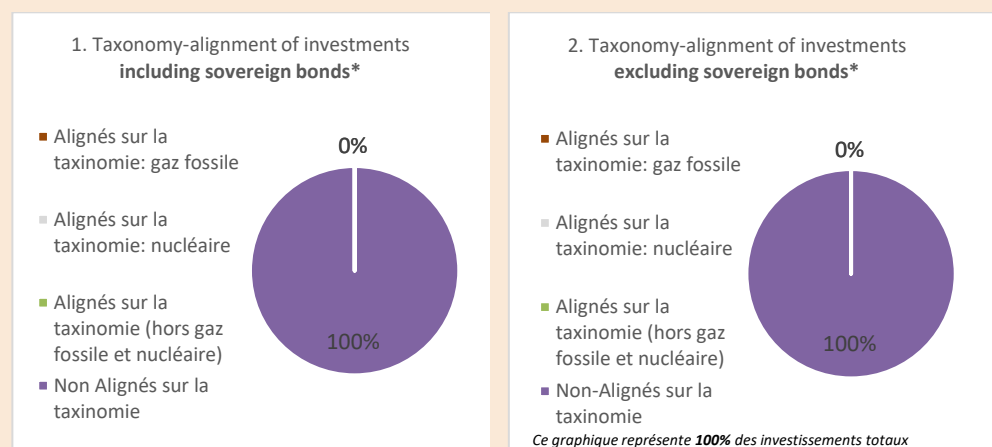
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0%. The Sub-Fund does not commit to making sustainable investments. Therefore, the Sub-Fund does not commit to a minimum of sustainable investments with an environmental objective aligned with the EU taxonomy.

Taxonomy-aligned activities are expressed as a share of:

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

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



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



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

The Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU taxonomy, nor to a minimum share of investments in transitional and enabling activities.



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

N.A.



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

Other investments consist exclusively of cash and cash equivalents (max holding : 10% of the NAV : cash, deposits, etc.).



### 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

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

N.A.

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

N.A

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

N.A

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

N.A

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



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

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

<https://monocle.lu/en/investissement-responsable/>