

KBI CORE GLOBAL SUSTAINABLE FUND

SUPPLEMENT 18 DATED 15th April, 2026 to the Prospectus issued for KBI Funds ICAV

This Supplement contains information relating to the KBI Core Sustainable Fund (the "Fund"), a Fund of KBI Funds ICAV (the "ICAV"), an open-ended umbrella type investment ICAV. The ICAV is an open-ended umbrella type Irish collective asset-management vehicle with limited liability and segregated liability between Funds, registered and authorised by the Central Bank to carry on business as an ICAV pursuant to Part 2 of the Act. The ICAV has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 1st May, 2025 (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.

The other existing Funds of the ICAV, details of which are set out in relevant Supplements are KBI Water Fund, KBI Global Energy Transition Fund, KBI Developed Equity Fund, KBI Global Solutions Fund, KBI Emerging Markets Equity Fund, KBI Eurozone Equity Fund, KBI Global Equity Fund, KBI 50/50 Global/Eurozone Equity Fund, KBI North America Equity Fund, KBI ACWI Equity Fund, KBI Integris Global Equity Fund, KBI Global Small Cap Equity Fund, KBI Global Sustainable Infrastructure Fund, KBI Eco Water Fund (ICAV), KBI Diversified Growth Fund, KBI Circular Economy Fund and KBI Global Health and Wellbeing Fund.

The Directors of the ICAV whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should read and consider the section entitled "Risk Factors" before investing in the Fund. **An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

1. Interpretation

The expressions below shall have the following meanings:

"Business Day" means every day, other than a Saturday or Sunday, which are bank business days in Ireland and New York and in such other market or markets to which the Fund has, in the reasonable opinion of the Investment Manager, a substantial exposure or such other day or days as the Directors may determine and notify in advance to Shareholders.

"Dealing Day" means every Business Day or such other day or days as may be determined by the Directors and notified in advance to Shareholders provided that there shall be at least one dealing day per fortnight.

"Dealing Deadline"	means 11.00 a.m. Irish time on the relevant Dealing Day or such other time as the Directors may determine and notify in advance to Shareholders.
"Index"	<p>means the MSCI ACWI Index, which is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 47 country indexes comprising 23 developed and 24 emerging market countries. The developed market countries included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market countries included are: Brazil, China, Chile, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, the Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.</p> <p>As at the date of this Prospectus, the administrator of the Index, namely MSCI Limited appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.</p>
"Initial Offer Period"	means the initial offer period for the relevant Shares Class as set out in Section 6 of this Supplement.
"Initial Price"	means the initial offer price for the relevant Share Class as set out in Section 6 of this Supplement.
"SDGs"	means the United Nations Sustainability Development Goals comprising, as at the date hereof, the following goals : 1. No Poverty; 2. Zero Hunger; 3. Good Health and Well-Being; 4. Quality Education; 5. Gender Equality; 6. Clean Water and Sanitation; 7. Affordable and Clean Energy; 8. Decent Work and Economic Growth; 9. Industry, Innovation and Infrastructure; 10. Reduced Inequalities; 11. Sustainable Cities and Communities; 12. Responsible Consumption and Production; 13. Climate Action; 14. Life Below Water; 15. Life on Land; 16. Peace, Justice and Strong Institutions; and 17. Partnerships for the Goals.
"Valuation Point"	means close of business in the relevant market on a Dealing Day or such other time as the Directors may determine and notify in advance to Shareholders provided, always, that the Dealing Deadline falls before the Valuation Point.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

2. Classes of Shares

The following Classes of Shares are being offered in the Fund:

US Dollar Class A, US Dollar Class A (Distributing), US Dollar Class B, US Dollar Class B (Distributing), US Dollar Class C, US Dollar Class D, US Dollar Class E, Euro Class A, Euro Class B, Euro Class C, Euro Class D, Euro Class E, Euro Class E (Distributing), Euro Class F, Euro Class G, Euro Class H, Euro Class H (Distributing), Euro Class I, Euro Class I (Distributing), Euro Class K, Sterling Class A,

Sterling Class A (Distributing), Sterling Class B, Sterling Class B (Distributing), Sterling Class C, Sterling Class D, Sterling Class E, Canadian Dollar Class A, Canadian Dollar Class B, Canadian Dollar Class C and Canadian Dollar Class D.

Euro Class K is reserved for intermediaries or providers of individual portfolio management services that are prohibited, by law or contract from retaining inducements.

3. Base Currency

Euro.

4. Investment Objective

The Fund has sustainable investment as its objective and seeks to generate long term capital growth for its Shareholders through investment in an actively managed portfolio of equity and equity-related securities of companies which, in the opinion of the Investment Manager, on an aggregate portfolio level are aligned with each of the SDG impact themes (as further described in the Annex attached hereto).

5. Investment Policy

In pursuit of its investment objective, the Fund will invest in equity and equity-related securities (including, but not limited to, warrants, rights which are issued by a company to allow holders to subscribe for additional securities issued by that company, ADRs and GDRs) of companies listed or traded on Recognised Exchanges worldwide which, in the opinion of the Investment Manager, have positive alignment with one or more of the SDGs.

Geographic Focus

The Fund is not subject to any specific geographic constraints. Portfolio selection will be focussed on stock selection not geographic allocation. The Fund may invest up to 25% of net assets in emerging markets, the exposure to which will be kept in line with the emerging markets weighting within the Index.

Collective Investment Schemes

The Fund may also invest, from time to time, up to 10% of net assets in UCITS and alternative investment funds (which fall within the requirements set out in the Central Bank's guidance), which have an investment policy in line with the investment policy of the Fund. Such alternative investment funds will be domiciled worldwide (including but not limited to Europe and the US).

Ancillary Liquid Assets

Although it will be normal policy of the Fund to deploy its assets as detailed above, it may also from time to time hold ancillary liquid financial assets including debt securities (e.g. fixed or floating rate investment grade bonds issued by EU or U.S. governments) and money market instruments (such as fixed or floating rate notes and fixed or variable rate commercial paper) in appropriate circumstances. Such circumstances may include where market conditions may require a defensive investment strategy (in adverse market conditions), the holding of debt securities and/or money market instruments pending reinvestment, the holding of debt securities and/or money market instruments in

order to meet redemptions and payment of expenses. In such circumstances, the Fund may hold up to 5% in ancillary liquid financial assets.

Recognised Exchanges

With the exception of permitted investments in unlisted transferable securities, investment by the Fund in the securities set out above will be restricted to those listed on the Recognised Exchanges as listed in Appendix II to the Prospectus.

Active Management

The Fund is considered to be actively managed in reference to the Index by virtue of the fact that it uses the Index for the purpose of measuring the financial performance of the Fund and determining the universe from which to select securities as well as the industry and regional risk of the Fund. The industry and regional risk of the Fund will be similar to the Index. However, the Investment Manager will use its discretion with respect to individual stock selection and there will be no constraint on the extent to which the weighting of the Fund's holdings may deviate from the Index.

Further, as set out further in Annex 1 attached hereto under the heading "What is the sustainable investment objective of this financial product?", the ESG performance of the Fund is compared to the Index.

Environmental, Social and Governance Factors

The Fund has sustainable investment as its objective in a way that meets the criteria contained in Article 9 of SFDR. Further information in relation to the sustainable investment objective and investment strategy of the Fund is set out in the Annex attached to this Supplement. Investors' attention is also drawn to the heading "Sustainability Risks", as set out in Section 14 of this Supplement.

Investment Strategy

The Fund will follow a systematic investment strategy managed against the Index. The strategy aims to create an actively managed portfolio that maximises exposure to companies which have positive alignment to one or more of the SDGs, while also seeking to manage the volatility of returns (tracking error) against the Index.

The combination of both tracking error and active share management is designed to avoid excessive volatility of relative performance against the Index over short time periods, while still allowing for sufficient active stock selection risk to produce excess returns over longer time periods.

The investment strategy entails a three-step process as follows:

Step 1: The Investment Manager selects companies with revenue and operational alignment to one or more of the SDGs listed above. The SDG alignment methodology entails a SDG scoring system (as detailed further below) which is conducted by a third-party research provider and is an assessment of a company's activities and whether they are aligned or misaligned with the SDGs.

There are two components to the SDG score:

- (i) **Revenue alignment:** the methodology for determining SDG revenue alignment is built on estimating a company's revenue from products and services that either positively address or adversely impact relevant SDGs. (e.g. an energy company that generates power from renewable sources would score positively while one that uses coal would score negatively for SDG's related to climate).
- (ii) **Operational alignment:** the methodology for determining SDG operational alignment takes into consideration a company's internal operations, policies, practices and any involvement in controversies to determine whether its behaviour supports or obstructs the SDGs. For example, a company with strong labour-rights policies, robust health & safety systems, no major labour-related controversies and verified adherence to international human-rights standards, would score positively for SDGs related to Decent Work and Reduced Inequalities.

The methodology measures SDG alignment as set out at (i) and (ii) above and is expressed on a numeric scale. It evaluates a company's net contribution (negative and positive) to each of the 17 SDGs. The scoring system is a numeric SDG net alignment score for individual companies for each SDG on a scale from -10 to +10 as follows:

- Score >5.0: **Strongly Aligned**
- Score between 2.0 and 5.0, inclusive: **Aligned**
- Score less than 2.0 but higher than -2.0: **Neutral**
- Score equal to or less than -2.0 but higher than -10: **Misaligned**
- Score equal to -10: **Strongly Misaligned**

Only companies that are aligned (i.e. have a score of greater than or equal to 2) to one or more SDGs can qualify for selection.

The Investment Manager also excludes the following:

- companies with a CCC rating (MSCI ESG ratings scale is AAA to CCC)
- companies with evidence of owning fossil-fuel reserves
- companies generating $\geq 25\%$ of revenue from thermal coal-based power generation
- companies generating $\geq 10\%$ of revenue from gambling
- companies involved in animal testing for non-medical products without an animal-welfare policy
- companies involved in the production of abortion/contraceptive products
- companies generating $\geq 50\%$ from adult entertainment production
- companies involved in producing recreational cannabis
- companies involved in stem-cell research
- companies involved in tobacco production
- companies involved in cluster munitions, landmines, biological, chemical, depleted uranium weapons, civilian firearms, nuclear weapons
- companies implicated in the most serious UN Global Compact or ILO labour-rights violations.

In addition, the Investment Manager applies the EU Paris-Aligned Benchmark (PAB) exclusions, which mandate excluding companies (a) involved in activities related to prohibited weapons, (b) involved in tobacco cultivation/production, (c) in violation of UNGC/OECD principles, (d) deriving $\geq 1\%$ revenue from hard-coal or lignite mining/distribution, (e) deriving $\geq 10\%$ from oil exploration/extraction/refining, (f) deriving $\geq 50\%$ from gas exploration/extraction/refining/distribution, and (g) electricity generators with GHG intensity $> 100 \text{ gCO}_2\text{e/kWh}$.

Step 2: The Investment Manager then introduces a range of quality metrics (such as return on equity, profitability and earnings growth) and valuation metrics (such as price-to-earnings and dividend yield) that, in its opinion, offer a balance across growth, quality and valuation return drivers. From a quality perspective, it targets companies that demonstrate competitive earnings growth and score well on such quality metrics. From a valuation perspective, the Investment Manager does not intend to pay prices that are significantly above market price multiples in order to gain these exposures.

Step 3: The Investment Manager then selects the final mix of holdings using its portfolio optimisation process. As part of this process, it uses a third-party industry leading portfolio optimisation tool, which suggests various potential portfolio models, risk profiles and portfolio security weight combinations. The Investment Manager then evaluates these models, makes adjustments to the potential model portfolios as necessary and uses its own judgement in order to select the “optimal” (best) combination of companies (based on mathematical criteria) that match the SDG alignment, valuation and quality metrics laid out at Steps 1 and 2 above. Stock selection is the primary source of active risk, with regional and industry risk actively minimised. The investment process seeks to be regionally neutral by having similar regional exposure as the Index and aims to minimise industry risk by investing in 24 out of the 25 industry groups across the Index, with the traditional energy industry excluded.

Financial Derivative Instruments

The Fund may utilise various financial derivative instruments as detailed further below for efficient portfolio management and/or hedging purposes in accordance with the requirements of the Central Bank. To this end, the Fund may utilise (subject to the conditions and within the limits laid down by the Central Bank) financial derivative instruments comprising forward foreign exchange contracts, futures and swaps.

Efficient portfolio management transactions may be entered into by the Investment Manager with one of the following aims a) a reduction of risk b) a reduction of cost with no increase or a minimal increase in risk; c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return).

The Fund may, subject to the conditions and limits laid down by the Central Bank, enter into futures contracts on securities, securities indexes and currencies. The Fund may use the foregoing techniques for efficient portfolio management and to hedge against changes in (i) exchange rates, (ii) securities prices.

Forward currency contracts may, subject to the conditions and limits laid down by the Central Bank, be used to hedge currency exposures of the Fund in accordance with the requirements of the Central Bank. Such currency exposure will arise where the assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund.

The Fund may enter into swap agreements with respect to currencies and securities. The Fund may use these techniques to protect against changes in currency exchange rates. The Fund may also use these techniques to protect against changes in securities indices and specific securities prices.

In respect of currencies, the Fund may utilise currency swap contracts where the Fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or currencies at a

floating rate of exchange for currencies at a fixed rate of exchange. These contracts allow the Fund to manage its exposures to currencies in which it holds investment. For these instruments the Fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

The Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to financial derivative instruments shall not exceed 100% of the Net Asset Value of the Fund and will be measured using the commitment approach. The ICAV employs a risk management process which enables it to monitor and measure the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The ICAV will not utilise financial derivatives in respect of the Fund which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The ICAV will provide on request to Shareholders supplementary information relating to the risk management methods employed by the ICAV including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Securities Financing Transactions

The Fund will not enter into securities financing transactions within the meaning of SFTR.

6. Offer

The Initial Offer Period in respect of Euro Class A, Euro Class B, Euro Class C, Euro Class D, Euro Class E, Euro Class E (Distributing), Euro Class F, Euro Class G, Euro Class H, Euro Class H (Distributing), Euro Class I, Euro Class I (Distributing), Euro Class K, Sterling Class A (Distributing), Sterling Class A, Sterling Class B, Sterling Class B (Distributing), Sterling Class C, Sterling Class D, Sterling Class E, US Dollar Class A, US Dollar Class A (Distributing), US Dollar Class B, US Dollar Class B (Distributing), US Dollar Class C, US Dollar Class D, US Dollar Class E, Canadian Dollar Class A, Canadian Dollar Class B, Canadian Dollar Class C and Canadian Dollar Class D shall run from 9 a.m. on the first Business Day following the date of this Supplement until 5 p.m. on 16th October, 2026.

During the Initial Offer Period for each Share Class, Shares shall be offered at the Initial Price for the relevant Class as set out below and subject to acceptance of applications for Shares by the ICAV and will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period. The Initial Offer Period for the relevant Share Class may be shortened or extended by the Directors. The Central Bank will be notified of any such extension. Following the Initial Offer Period for the relevant Share Class, Shares in the Fund will be issued at the Net Asset Value per Share of the relevant Class.

The Initial Price shall be US\$10 in the case of US Dollar Share Classes, Euro10 in the case of Euro Share Classes, GBP£10 in the case of Sterling Share Classes and CAD\$10 in the case of Canadian Dollar Share Classes.

7. Minimum Subscription and Minimum Transaction Size

There is no Minimum Subscription or minimum subsequent subscription per investor applicable to Shares in the Fund.

8. Application for Shares

Applications for Shares may be made through the Administrator or relevant Paying Agent. Applications accepted by the Administrator or Paying Agent on behalf of the Fund and received by the Administrator or Paying Agent prior to the Dealing Deadline for any Dealing Day will be dealt with on that Dealing Day. The Paying Agent is responsible for forwarding applications for Shares it receives to the Administrator. Any applications received after the Dealing Deadline for a particular Dealing Day will be dealt with on the following Dealing Day unless the ICAV in its absolute discretion otherwise determines to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using an Account Opening Form obtained from the Administrator or Paying Agent. Subsequent purchases of Shares following the initial subscription may be made to the Administrator or Paying Agent by way of written communication or such other means and should contain such information as may be specified from time to time by the Directors or their delegate. Applications should be accompanied by such other documentation as the Directors or their delegate may from time to time specify or request. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

Fractions

Fractions of Shares may be issued to four decimal places provided, however, those fractional shares shall not carry any voting rights.

Method of Payment

Subscription payments net of all bank charges should be paid by wire or electronic transfer to the bank account specified in the Account Opening Form. . Other methods of payment are subject to the prior approval of the ICAV. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in the currency of denomination of the relevant Share Class. However, the ICAV may accept payment in such other currencies as the ICAV may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

Timing of Payment

Payment in respect of subscriptions must be received in cleared funds by the Depositary no later than 2 Business Days after the relevant Dealing Day provided that the ICAV reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the ICAV or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest together with an administration fee of Euro 100, which is payable to the Fund. The ICAV may

waive either of such charges in whole or in part. In addition, the ICAV has the right to sell all or part of the investor's holding of Shares in the Fund or any other fund of the ICAV in order to meet such charges.

Confirmation of Ownership

Written confirmation of ownership of Shares will be sent to Shareholders within 48 hours of the purchase being made. Title to Shares will be evidenced by the entering of the investor's on the ICAV's register of Shareholders and no certificates will be issued.

9. Redemption of Shares

Requests for the redemption of Shares should be made to the Distributor or relevant Paying Agent by way of written communication or such other means and should include such information as may be specified from time to time by the Directors or their delegate. The Distributor or Paying Agent is responsible for forwarding redemption requests to the Administrator. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be dealt with on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be dealt with on the next Dealing Day unless the ICAV in its absolute discretion determines otherwise. Redemption requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Method of Payment

Redemption payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified in writing to the Distributor or Paying Agent for onward transmission to the ICAV, care of the Administrator.

Currency of Payment

Shareholders will normally be repaid in the currency of denomination of the relevant Share Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Distributor or Paying Agent (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

Timing of Payment

Subject to receipt of all required documentation by the Administrator, redemption proceeds in respect of Shares will be paid within 2 Business Days of the relevant Dealing Deadline or such other period as the Directors or their delegate may determine, provided that the redemption proceeds will be paid within 10 Business Days of the relevant Dealing Deadline.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn save with the written consent of the ICAV or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

Compulsory Redemption

All the Shares of the Fund may be compulsorily redeemed in the circumstances described in the Prospectus under the heading "Compulsory Redemption of Shares".

10. Conversion of Shares

Subject to the Minimum Subscription and minimum transaction requirements of the relevant Fund or Classes (if applicable), Shareholders may convert some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the formula specified in the Prospectus under the heading "Conversion of Shares".

Applications for conversion of Shares should be made to the Distributor or relevant Paying Agent by way of written communication or such other means and should include such information as may be specified from time to time by the Directors or their delegate. The Distributor or Paying Agent is responsible for forwarding conversion requests to the Administrator. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Fund from which conversion is requested and the Dealing Deadline for subscriptions in the Fund into which conversion is requested. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Funds, unless the ICAV in its absolute discretion otherwise determines. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Where the value of Shares converted from the Original Fund are not sufficient to purchase an integral number of Shares in the Fund, fractions of Shares may be issued to four decimal places provided, however, that fractional shares shall not carry any voting rights.

Withdrawal of Conversion Requests

Conversion requests may not be withdrawn save with the written consent of the ICAV or its authorised agent or in the event of a suspension of calculation of the Net Asset Value of the Funds in respect of which the conversion request was made.

11. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

12. Fees and Expenses

The Fund shall bear its attributable portion of the fees and operating expenses of the Fund. The fees and operating expenses of the Fund are set out in detail under the heading "Fees and Expenses" in the Prospectus. The fees and expenses relating to the establishment of the Fund will be borne by the Investment Manager.

Manager's Fees

The Manager shall be entitled to receive out of the assets of the Fund an annual fee at a rate not to exceed 0.015% of the Net Asset Value of each relevant Class of the Fund (plus VAT if any thereon), subject to the Minimum Annual Management Fee, further information in relation to which is detailed in the “Fees and Expenses” section of the Prospectus under the sub-section titled “Manager’s Fee”.

Investment Manager’s Fees

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee of up to 2.5% per annum of the Net Asset Value of the Fund (plus VAT, if any). Within this maximum permitted limit, the Investment Manager’s fees may differ between Classes of the Fund as outlined below in the section headed Class Specific Fee Rates.

Administrator’s Fees

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee at a rate not to exceed 0.10% of the Net Asset Value of each relevant Class (plus VAT if any thereon). Minimum fees may apply depending on the Net Asset Value of the Fund and will be payable by the Fund. Any such minimum fees will be disclosed in a revised Fund Supplement.

Depository’s Fees

The Depository shall be entitled to receive out of the assets of the Fund an annual custody fee at a rate not to exceed 0.10% of the Net Asset Value of each relevant Class (plus VAT if any thereon). Minimum fees may apply depending on Fund value, and will be payable by the Fund. Any such minimum fees will be disclosed in a revised Fund Supplement.

Distribution Fee

The Investment Manager shall also be entitled to receive for its own use and benefit a distribution fee of up to 1% per annum of the Net Asset Value of the Fund (plus VAT, if any). Within this maximum permitted limit, the Investment Manager’s distribution fee may differ between Classes of the Fund as outlined below in the section headed Class Specific Fee Rates.

Initial Charge

The Shares shall be subject to an initial charge not to exceed 5% of the Net Asset Value per Share purchased by Shareholders, which may be waived at the discretion of the Directors. Within this maximum permitted limit, the initial charge may differ between Classes of the Fund as outlined below in the Section headed Class Specific Fee Rates. Any such fee will be payable directly to the Distributor for its absolute use and benefit.

Shares in each Class may be subject to an initial charge in the circumstances set out on page 67 of the Prospectus under the heading “Abusive Trading Practices/Market Timing”.

Redemption Fee

Except as set out on page 67 of the Prospectus under the heading “Abusive Trading Practices/Market Timing”, the Shares shall not be subject to a redemption fee.

Conversion Fee

No conversion fee will apply.

Swing Pricing

In order to prevent a dilution effect as a result of costs related to investments and/or divestment of assets being borne by the Fund, the Directors have determined that a “swing pricing adjustment” will be applied which will result in the Net Asset Value per Share to be adjusted upwards or downwards by the swing factor disclosed below where the Net Capital Activity exceeds, as a consequence of the aggregate transactions in the Fund on a Dealing Day, a threshold agreed by the Manager and the ICAV.

The swing factor shall not exceed 0.25% of the Net Asset Value of the Fund. For the purposes of calculating the fees and expenses of the Fund, the Administrator will continue to use the un-swung Net Asset Value.

Further information is set out in the section of the Prospectus entitled “**Swing Pricing**”.

Class Specific Fee Rates

The Investment Manager’s investment management fee and the Initial Charge differ from Class to Class as outlined below.

<i>Class of Share</i>	Currency	Investment Manager's Fee	Initial Charge	Distribution Fee
US Dollar Class A	Dollar	Up to 0.75% per annum of Net Asset Value attributable to US Dollar Class A	Not applicable	Not applicable
US Dollar Class A (Distributing)	Dollar	Up to 0.75% per annum of Net Asset Value attributable to US Dollar Class A (Distributing)	Not applicable	Not applicable
US Dollar Class B	Dollar	Up to 1.5% per annum of Net Asset Value attributable to US Dollar Class B	Not applicable	Not applicable
US Dollar Class B (Distributing)	Dollar	Up to 1.5% per annum of Net Asset Value attributable to US Dollar Class B (Distributing)	Not applicable	Not applicable
US Dollar Class C	Dollar	Up to 2.0% per annum of Net Asset Value attributable to US Dollar Class C	Not applicable	Not applicable

<i>Class of Share</i>	Currency	Investment Manager's Fee	Initial Charge	Distribution Fee
US Dollar Class D	Dollar	0% per annum of Net Asset Value attributable to US Dollar Class D	Not applicable	Not applicable
US Dollar Class E	Dollar	Up to 1.0% per annum of Net Asset Value attributable to US Dollar Class E	Not applicable	Not applicable
Euro Class A	Euro	0% per annum of Net Asset Value attributable to Euro Class A	Not applicable	Not applicable
Euro Class B	Euro	Up to 1.5% per annum of Net Asset Value attributable to Euro Class B	Not applicable	Not applicable
Euro Class C	Euro	Up to 0.60% per annum of Net Asset Value attributable to Euro Class C	Not applicable	Not applicable
Euro Class D	Euro	0.75% per annum of Net Asset Value attributable to Euro Class D	Not applicable	Not applicable
Euro Class E	Euro	Up to 1.00% per annum of Net Asset Value attributable to Euro Class E	Not applicable	Not applicable
Euro Class E (Distributing)	Euro	Up to 1.00% per annum of Net Asset Value attributable to Euro Class E (Distributing)	Not applicable	Not applicable
Euro Class F	Euro	Up to 1.50% per annum of Net Asset Value attributable to Euro Class F	Not applicable	Not applicable
Euro Class G	Euro	1.8% per annum of Net Asset Value attributable to Euro Class G	Up to 5%	Not applicable
Euro Class H	Euro	Up to 0.60% per annum of Net Asset Value attributable to Euro Class H	Not applicable	Not applicable
Euro Class H (Distributing)	Euro	Up to 0.60% per annum of Net Asset Value attributable to Euro Class H (Distributing)	Not applicable	Not applicable
Euro Class I	Euro	Up to 1.80% per annum of Net Asset Value attributable to Euro Class I	Up to 5%	Not applicable

<i>Class of Share</i>	Currency	Investment Manager's Fee	Initial Charge	Distribution Fee
Euro Class I (Distributing)	Euro	Up to 1.5% per annum of Net Asset Value attributable to Euro Class I (Distributing)	Up to 5%	Not applicable
Euro Class K	Euro	Up to 0.9% per annum of Net Asset Value attributable to Euro Class K	Not applicable	Not applicable
Sterling Class A	Sterling	Up to 0.75% per annum of Net Asset Value attributable to Sterling Class A	Not applicable	Not applicable
Sterling Class A (Distributing)	Sterling	Up to 0.75% per annum of Net Asset Value attributable to Sterling Class A (Distributing)	Not applicable	Not applicable
Sterling Class B	Sterling	Up to 1.50% per annum of Net Asset Value attributable to Sterling Class B	Not applicable	Not applicable
Sterling Class B (Distributing)	Sterling	Up to 1.50% per annum of Net Asset Value attributable to Sterling Class B (Distributing)	Not applicable	Not applicable
Sterling Class C	Sterling	Up to 0.50% per annum of Net Asset Value attributable to Sterling Class C	Not applicable	Not applicable
Sterling Class D	Sterling	0% per annum of Net Asset Value attributable to Sterling Class D	Not applicable	Not applicable
Sterling Class E	Sterling	Up to 1.0% per annum of Net Asset Value attributable to Sterling Class E	Not applicable	Not applicable
Canadian Dollar Class A	Canadian Dollar	Up to 0.75% per annum of Net Asset Value attributable to Canadian Dollar Class A	Not applicable	Not applicable
Canadian Dollar Class B	Canadian Dollar	Up to 1.5% per annum of Net Asset Value attributable to Canadian Dollar Class B	Not applicable	Not applicable
Canadian Dollar Class C	Canadian Dollar	Up to 2.0% per annum of Net Asset Value attributable to Canadian Dollar Class C	Not applicable	Not applicable
Canadian Dollar Class D	Canadian Dollar	0% per annum of Net Asset Value attributable to Canadian Dollar Class D	Not applicable	Not applicable

In the case of US Dollar Class A (Distributing), US Dollar Class B (Distributing), Sterling Class A (Distributing), Sterling Class B (Distributing), Euro Class E (Distributing), Euro Class H (Distributing), and Euro Class I (Distributing), management fees, investment management fees and recurring

expenses, or a portion thereof, will be charged against the capital of the relevant Class in such manner as the Directors may from time to time decide. Shareholders should note that capital of the relevant Class may be eroded and income shall be achieved by foregoing the potential for future capital growth. Thus, on redemptions of holdings Shareholders of the relevant Class may not receive back the full amount invested. The policy of charging management fees, investment management fees and recurring expenses, or a portion thereof, to capital seeks to maximise distributions but it will also have the effect of lowering the capital value of your investment and constraining the potential for future capital growth.

In respect of all other Share Classes of the Fund, recurring expenses (excluding management and investment management fees) will be charged to capital in such manner as the Directors may from time to time decide. Shareholders of accumulating Share Classes should note that capital of the relevant Class may be temporarily eroded as a result of this charging method. Upon redemptions of holdings, Shareholders in accumulating Share Classes receive both capital and income, accordingly, while they may not receive back the full amount of capital invested, the overall redemption amount is unaffected. The policy of charging recurring expenses, or a portion thereof, to capital in respect of accumulating Share Classes will have the effect of temporarily increasing the income element of your investment but it will also have the effect of lowering the capital value of your investment, until such time as income is capitalised (which is currently every six months).

13. Dividends and Distributions

With the exception of US Dollar Class A (Distributing), US Dollar Class B (Distributing), Sterling Class A (Distributing), Sterling Class B (Distributing), Euro Class E (Distributing), Euro Class H (Distributing), and Euro Class I (Distributing), all Share Classes are accumulating shares. The income and earnings and gains of the Fund, attributable to each Share Class will be accumulated and reinvested on behalf of the relevant Shareholders.

The Directors may declare a dividend once a year (or more frequently at their discretion) out of the net income available for distribution in relation to the US Dollar Class A (Distributing), US Dollar Class B (Distributing), Sterling Class A (Distributing), Sterling Class B (Distributing), Euro Class E (Distributing), Euro Class H (Distributing), and Euro Class I (Distributing), Shares (whether in the form of dividends, interest or otherwise), and/or net realised and unrealised capital gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses), subject to certain adjustments. The Directors may also declare interim dividends on the same basis. Dividends will normally be paid on or before the date falling four months after the previous financial year end in respect of the amount available for distribution as at that previous financial year end. All distributing Share Classes shall rank for dividends as and from the beginning of the accounting period in which they were issued. If declared, dividends will be paid to holders of the relevant Share Class. Dividends will normally be paid by electronic or telegraphic transfer. All dividends unclaimed after a period of six years shall be forfeited and shall revert to the Fund and be attributed to the relevant Share Class. Dividends shall not bear interest against the Fund.

The ICAV will automatically re-invest any distribution entitlements in further Shares of the relevant Class of the Fund if distributions are less than US\$100 (or equivalent), £50 or €100 in value (depending on the relevant denomination of the Shares) unless the ICAV has received instructions in writing to the contrary from the relevant Shareholder.

It is the Directors' intention to treat Sterling Class A, Sterling Class B, Sterling Class C, Sterling Class D and Sterling Class E Shares as Reporting Shares for UK Tax purposes. It is intended to seek approval from HM Revenue & Customs for the Shares to be considered as Reporting Shares once they have issued. Although the Directors will endeavour to ensure that the Shares are approved by HM Revenue & Customs as Reporting Shares and continue to be so approved, it cannot be guaranteed that this result will be achieved or maintained at all times. The ICAV currently intends that all other Share Classes in this Fund will be Non-Reporting Shares, however, the ICAV cannot guarantee that this position will not change.

UK potential investors are advised to review the section headed "Additional Information for Investors in the United Kingdom" on page 126 of the Prospectus for more information.

14. Risk Factors

The attention of investors is drawn to the "Risk Factors" section in the Section of the Prospectus entitled "The ICAV".

Sustainability Risks

The Investment Manager has responsible investment and corporate responsibility as one of its founding pillars, based on the conviction that economic and financial actors have a greater responsibility towards sustainable society and that the Environmental, Social and Governance ("ESG") characteristics of companies can be a long-term driver of financial performance.

The Investment Manager considers that, in addition to economic and financial aspects, the integration within the investment decision process of ESG dimensions, including sustainability factors and sustainability risks, allows a more comprehensive assessment of investment risks and opportunities. Accordingly, the management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager.

The integration of sustainability risk into the investment decision-making process of the Investment Manager is set out in detail under the heading "**Sustainability Risks**" in the Prospectus and is achieved mainly through the integration of ESG metrics as further described thereunder, into the investment decision making process which includes but is not limited to the integration of sustainability considerations and the management of sustainability risk.

Sustainability risks that may be deemed relevant to this Fund include but are not limited to green-house gas emissions, energy management, water and wastewater management, waste and hazardous materials management, product quality and safety, customer welfare, selling products and product labelling, product design and lifecycle management, supply chain management, material sourcing and efficiency.

Assessment of sustainability risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on the Fund's investments.

The Investment Manager has determined that the sustainability risk (being the risk that the value of the Fund could be materially negatively impacted by an ESG Event) faced by the Fund is low.

Although the ESG practices of a company may influence its long-term value, there can be no guarantee regarding the performance of individual investments, nor on the returns of the Fund as a whole despite the integration of sustainability risks.

15. Profile of a Typical Investor

The Fund is suitable for responsible investors seeking long-term (minimum 5 years) investment returns, who are prepared to accept high volatility

16. German Tax requirement

The Directors of the ICAV confirm that in line with the investment strategy and Fund profile, the Fund will invest continuously more than 51% in equities.

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: KBI Core Global Sustainable Fund
Legal entity identifier: 213800GKUW32JC3R1S38

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 0% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 0%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

**While the sum of sustainable investments with an environmental objective invested and sustainable investments with a social objective invested will add up to the Sub-Fund's minimum share of 95% sustainable investments, the Sub-Fund does not commit to a certain allocation between environmental and social objectives individually. Accordingly, the Sub-Fund does not commit to any minimum share of investments with an environmental objective or any minimum share of investments with a social objective.*



What is the sustainable investment objective of this financial product?

The sustainable objective of the product is to achieve, on an aggregate portfolio level, alignment with each of the 5 SDG impact themes listed below (the "SDG Themes"). The SDGs that contribute to each SDG Theme are also detailed:

1. Transition towards a low carbon economy (SDGs 7, 9, 11, 13)
2. Natural capital preservation (SDGs 6, 9, 11, 12, 14, 15)
3. Human capital and human rights (SDGs 1, 3, 4, 5, 8, 10)

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

4. Client protection and social safeguards (SDGs 1, 2, 3, 9, 11, 16, 17) and
5. Strong governance for sustainable development (SDGs 5, 8, 10, 13, 16, 17)

This is achieved by investing in companies with a positive alignment with one or more of the SDGs.

In order to achieve the sustainable investment objective above, the Investment Manager seeks to invest in sustainable investments which the Investment Manager believes contribute to solving social or environmental challenges.

The MSCI ACWI Index (the “Index”) is used to compare the ESG performance of the product (i.e. the SDG alignment, the overall ESG score and the weighted average carbon intensity of the product) against that of the Index. However, the investment strategy of the product is not continuously aligned with the Index. While the Index is used to compare ESG performance, the Index is a broad market index and is not consistent with the sustainable investment objective of the product and is therefore not used for determining the attainment of the sustainable investment objective of the product.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Investment Manager monitors a range of sustainability indicators to measure the attainment of the sustainable objective of the product, including:

- Alignment of investee companies with SDGs: The Investment Manager monitors the alignment of each investee company with the SDGs. The percentage of investee companies in the portfolio whose activities are aligned with one or more of the SDGs shall be at least 95%;
- Alignment of the product with SDG Themes: The Investment Manager monitors the alignment of the product as a whole with each of the SDG Themes to determine that, on an aggregate portfolio level, the product has a higher weighted average SDG Theme alignment score than the Index, in respect of each SDG Theme. The alignment score of each SDG Theme is determined by the use of SDG alignment information supplied by an external data provider of ESG research and ratings.
- ESG Score of the product: The Investment Manager monitors the ESG score of companies in which the product invests to determine that the product has a weighted average ESG score at least equal to or higher than the weighted average ESG score of the Index. The weighted average ESG score of the portfolio is determined by the use of ESG ratings of companies, supplied by an external data provider of ESG research and ratings.
- Carbon Intensity of the product: The Investment Manager monitors the carbon intensity of companies in which the product invests to determine that the product, on an aggregate portfolio level, has a weighted average carbon intensity level lower than the weighted average carbon intensity of the index. The weighted average carbon intensity of the portfolio is measured by an external provider of carbon footprint measurement services.

These indicators are tracked on an ongoing basis by the Investment Manager and reported annually.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments of the product are assessed to ensure that they do not cause significant harm to any environmental or social objective. This assessment makes use of Principal Adverse Impact Indicators (“PAI Indicators”), where applicable and where data is sufficiently available, and ensures that certain minimum standards are reached for each applicable PAI Indicator. The following PAI Indicators are assessed: greenhouse gas emissions, social and employee matters, respect for human rights, involvement with fossil

fuels, gender balance on boards, whether a company is in breach of the Principles of the UN Global Compact, and anti-corruption and anti-bribery matters.

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

The indicators for adverse impacts on sustainability factors are taken into account by applying certain exclusion strategies aligned to the PAI Indicators and by monitoring the PAI Indicators in the following manner:

1. As explained above, the Investment Manager makes use of the PAI Indicators when ensuring that a sustainable investment does not cause significant harm to any environmental or social objective and the Investment Manager ensures that certain minimum standards are reached for each applicable PAI Indicator.
2. The product excludes the following companies which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability: CCC rated companies (ESG data provider's ratings scale AAA to CCC), companies with evidence of owning fossil fuel reserves, as well as issuers generating $\geq 25\%$ revenue from thermal coal based power generation, $\geq 10\%$ from gambling, involvement in animal testing for non-medical products without an animal welfare policy, adult entertainment producers ($\geq 50\%$ revenue), recreational cannabis, or stem cell research or production of abortion/contraceptive products. The strategies further exclude tobacco producers, and companies involved in cluster munitions manufacturing, landmines manufacturing, biological and chemical weapons, depleted uranium weapons manufacturers, civilian firearm producers, nuclear weapons ($>0\%$ revenue), companies involved in the most severe environmental land and water controversies, and also companies implicated in the most serious UN Guiding Principles on Business and Human Rights (UNGPs) or ILO labour rights violations.
3. The Investment Manager also applies the PAB Exclusions set out in the EU Paris-Aligned Benchmark Regulations and preclude investment in (i) companies involved in any activities related to prohibited weapons (ii) companies involved in the cultivation and production of tobacco, (iii) companies in violation of the UN Global Compact (UNGCC) principles and OECD Guidelines for Multinational Enterprises (iv) companies that derive 1% or more of their revenues from the exploration, mining, extraction, distribution or refining of coal and lignite (v) companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuel (vi) companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels and (vii) companies which derive more than 50% of their revenue from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.
4. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high adverse impact (as measured by the PAI Indicators and by other factors), with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

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

The product does not invest in any company which violates, repeatedly and seriously, one or more of the ten principles of the UN Global Compact. To implement this, the Investment Manager uses data from data providers which rely on international conventions such as the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, as sources of data to determine risk exposure of companies' geographies of operation and business segments.

Sustainable investments align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the use of environmental and UNGC (UN Global Compact) controversies screening as an indication for alignment with OECD guidelines / UN guiding principles along with other tools including ESG scores and research as part of the investment process.



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

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

- ✘ Yes
- No

This product considers principal adverse impacts on sustainability factors. This is done in a number of ways.

1. A minimum proportion of the investments held in this product must be sustainable investments. In determining whether an investment is a sustainable investment, the PAI Indicators of the investment are considered, and where the adverse impact is considered to be excessive, in the judgement of the Investment Manager, based on whether the adverse impact breaches certain thresholds set by the Investment Manager, such investments are not deemed to be sustainable investments. The Investment Manager monitors all 14 mandatory Principal Adverse Impact (PAI) indicators required under the SFDR, covering: (1) greenhouse gas emissions; (2) carbon footprint; (3) GHG intensity of investee companies; (4) exposure to companies active in the fossil fuel sector; (5) share of non-renewable energy consumption and production; (6) energy consumption intensity per high impact climate sector; (7) activities negatively affecting biodiversity sensitive areas; (8) emissions to water; (9) hazardous waste ratio; (10) violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises; (11) lack of processes and compliance mechanisms to monitor compliance with those principles and guidelines; (12) unadjusted gender pay gap; (13) board gender diversity; (14) exposure to controversial weapons; In addition to the full mandatory PAI indicators, the Investment Manager has selected two optional PAI indicators for enhanced monitoring and disclosure: (i) the presence of carbon emissions reduction initiatives and (ii) the presence of health & safety / workplace accident prevention policies.
2. The Investment Manager’s decision on whether to make an investment in a company, and the size of that investment, takes into account a wide range of PAI Indicators relating to the social, environmental and governance characteristics of that company, including the adverse impact that the company is having on sustainability.
3. The product does not invest in certain companies which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability as listed in point 2 above under **“How have the indicators for adverse impacts on sustainability factors been taken into account?”**
4. The Investment Manager also applies the PAB Exclusions set out in the EU Paris-Aligned Benchmark Regulations as listed in point 3 above under **“How have the indicators for adverse impacts on sustainability factors been taken into account?”**
5. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high adverse impact, with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

The product's annual financial statements will disclose how principal adverse impacts have been considered on sustainability factors.



What investment strategy does this financial product follow?

The product is an actively managed portfolio that will invest in equity and equity-related securities of companies listed or traded on Recognised Exchanges worldwide which, in the opinion of the Investment Manager have a positive alignment with one or more of the SDGs.

Further information on the investment objective, policy and investment strategy of the product, including the asset classes in which the product may invest, is detailed in the Supplement for this product and should be read in conjunction with and in the context of this Annex.

The Fund will follow a systematic investment strategy managed against the Index. The strategy aims to create an actively managed portfolio that maximises exposure to companies which have positive alignment to one or more of the SDGs, while also seeking to manage the volatility of returns (tracking error) against the Index.

The combination of both tracking error and active share management is designed to avoid excessive volatility of relative performance against the Index over short time periods, while still allowing for sufficient active stock selection risk to produce excess returns over longer time periods.

The investment strategy entails a three-step process as follows:

Step 1: The Investment Manager selects companies with revenue and operational alignment to one or more of the SDGs listed above. Further details are set out below under “**What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**”

Step 2: The Investment Manager then introduces a range of quality metrics (such as return on equity, profitability and earnings growth) and valuation metrics (such as price-to-earnings and dividend yield) that, in its opinion, offer a balance across growth, quality and valuation return drivers. From a quality perspective, it targets companies that demonstrate competitive earnings growth and score well on such quality metrics. From a valuation perspective, the Investment Manager does not intend to pay prices that are significantly above market price multiples in order to gain these exposures.

Step 3: The Investment Manager then selects the final mix of holdings using its portfolio optimisation process. As part of this process, it uses a third-party industry leading portfolio optimisation tool, which suggests various potential portfolio models, risk profiles and portfolio security weight combinations. The Investment Manager then evaluates these models, makes adjustments to the potential model portfolios as necessary and uses its own judgement in order to select the “optimal” (best) combination of companies (based on mathematical criteria) that match the SDG alignment, valuation and quality metrics laid out at Steps 1 and 2 above. Stock selection is the primary source of active risk, with regional and industry risk actively minimised. The investment process seeks to be regionally neutral by having similar regional exposure as the Index and aims to minimise industry risk by investing in 24 out of the 25 industry groups across the Index, with the traditional energy industry excluded.

The Investment manager will also compare the ESG performance of the Fund (i.e. the SDG alignment, the overall ESG score and the weighted average carbon intensity of the Fund) against the Index and will aim to achieve, on an aggregate portfolio level;

- (i) a higher weighted average SDG Theme alignment score than the Index, in respect of each SDG Theme;

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

- (ii) a weighted average ESG score broadly in line with the weighted average ESG score of the Index; and
- (iii) a weighted average carbon intensity level lower than the weighted average carbon intensity of the index.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

SDG Alignment

The Investment Manager aims to create an actively managed portfolio that maximises exposure to the SDG Themes by selecting companies with revenue and operational alignment to one or more of the SDGs. The SDG alignment methodology entails a SDG scoring system (as detailed below), which is conducted by a third-party research provider and is an assessment of a company's activities and whether they are aligned or misaligned with the SDGs.

There are two components to the SDG score:

- a. **Revenue alignment:** the methodology for determining SDG revenue alignment is built on estimating a company's revenue from products and services that either positively address or adversely impact relevant SDGs. (e.g. an energy company that generates power from renewable sources would score positively while one that uses coal would score negatively for SDG's related to climate).
- b. **Operational alignment:** the methodology for determining SDG operational alignment takes into consideration a company's internal operations, policies, practices and any involvement in controversies to determine whether its behaviour supports or obstructs the SDGs. For example, a company with strong labour-rights policies, robust health & safety systems, no major labour-related controversies and verified adherence to international human-rights standards, would score positively for SDGs related to Decent Work and Reduced Inequalities.

The methodology measures SDG alignment as set out at (i) and (ii) above and is expressed on a numeric scale. It evaluates a company's net contribution (negative and positive) to each of the 17 SDGs. The scoring system is a numeric SDG net alignment score for individual companies for each SDG on a scale from -10 to +10 as follows:

- Score >5.0: **Strongly Aligned**
- Score between 2.0 and 5.0, inclusive: **Aligned**
- Score less than 2.0 but higher than -2.0: **Neutral**
- Score equal to or less than -2.0 but higher than -10: **Misaligned**
- Score equal to -10: **Strongly Misaligned**

Only companies that are aligned (i.e. have a score of greater than or equal to 2) to one or more SDGs can qualify for selection.

Exclusions

The product excludes the following companies which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability: CCC rated companies (ESG data provider's ratings scale AAA to CCC), companies with evidence of owning fossil fuel reserves, as well as issuers generating $\geq 25\%$ revenue from thermal coal based power generation, $\geq 10\%$ from gambling, involvement in animal testing for non-medical

products without an animal welfare policy, adult entertainment producers (≥50% revenue), recreational cannabis, or stem cell research or production of abortion/contraceptive products. The strategies further exclude tobacco producers, and companies involved in cluster munitions manufacturing, landmines manufacturing, biological and chemical weapons, depleted uranium weapons manufacturers, civilian firearm producers, nuclear weapons (>0% revenue), companies involved in the most severe environmental land and water controversies, and also companies implicated in the most serious UN Guiding Principles on Business and Human Rights (UNGPs) or ILO labour rights violations.

The Investment Manager also applies the PAB Exclusions set out in the EU Paris-Aligned Benchmark Regulations and preclude investment in (i) companies involved in any activities related to prohibited weapons (ii) companies involved in the cultivation and production of tobacco, (iii) companies in violation of the UN Global Compact (UNG) principles and OECD Guidelines for Multinational Enterprises (iv) companies that derive 1% or more of their revenues from the exploration, mining, extraction, distribution or refining of coal and lignite (v) companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuel (vi) companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels and (vii) companies which derive more than 50% of their revenue from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.

Carbon Reduction

The product is managed with the aim of progressively reducing net carbon emissions of investee companies and of eventually reaching net zero emissions by 2050.

The product, on an aggregate portfolio level, also seeks to have a weighted average carbon intensity level lower than the weighted average carbon intensity level of the Index at any given time. However, the reduction of the carbon intensity of the Fund relative to the Index in any financial period may be non-existent, minimal or low. The Investment Manager monitors the carbon intensity of companies in which the product invests. Carbon intensity is a measure of greenhouse gas emissions, in tonnes, relative to the revenue of the company or portfolio. The Investment Manager obtains carbon intensity data from the data provider.

While the product is managed with the aim of progressively reducing net carbon emissions of investee companies and of eventually reaching net zero emissions by 2050, investors should be aware that this product does not have reduction of carbon emissions as its objective within the meaning of Article 9(3) of SFDR.

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

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

The Investment Manager assesses the governance practices and governance performance of all companies in which the product invests. This assessment is based on (i) the Investment Manager's own research and knowledge of the company based on its direct interactions with companies and its analysis of the financial statements and related materials of companies; and/or (ii) information including specialised governance information and ratings from at least one external data provider, in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

When assessing the governance practices of investee companies, the Investment Manager (and/or its data provider, as applicable), has regard to a range of issues including but not limited to:

- Corporate governance: the impact that a company's ownership, board and other corporate governance practices (including the pay of senior management) have on investors

- Corporate behaviour: the extent to which companies may face ethics issues such as fraud, executive misconduct, corruption, money laundering, or tax-related controversies
- Staff remuneration: the extent to which pay of the CEO exceeds average pay per employee
- Labour management: the relationship between management and labour.
- Tax compliance: a company's revenue-reporting transparency and involvement in tax controversies



What is the asset allocation and the minimum share of sustainable investments?

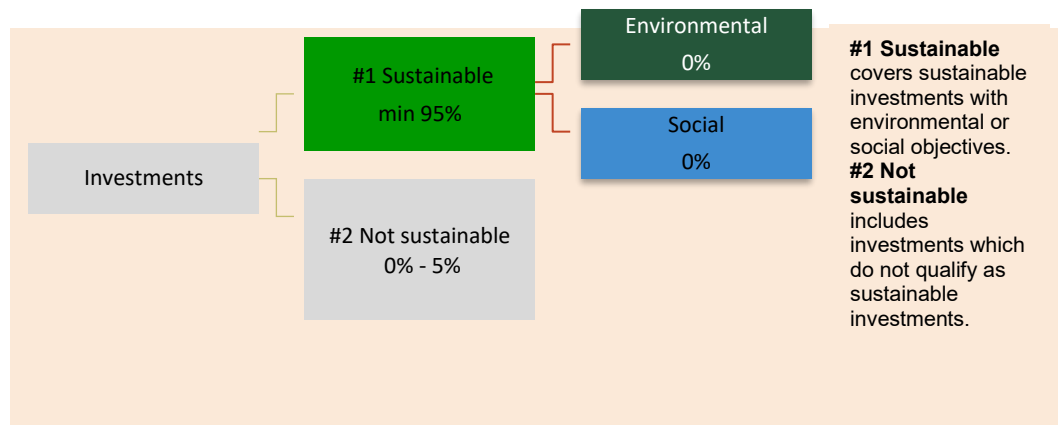
The product invests in equity and equity-related securities of companies which, in the opinion of the Investment Manager, are positively aligned with one or more of the SDGs.

#1 Sustainable

The Investment Manager commits to invest a minimum of 95% of the product's assets in sustainable investments. While the sum of sustainable investments with an environmental objective invested and sustainable investments with a social objective invested will add up to the product's minimum share of 95% sustainable investments, the product does not commit to a certain allocation between environmental and social objectives individually. Accordingly, the product does not commit to any minimum share of investments with an environmental objective or any minimum share of investments with a social objective.

#2 Not sustainable

The remaining 0% to 5% of investments will be in investments which are used for the purposes of efficient portfolio management and/or to provide ancillary liquidity in accordance with the investment policy of the product.



● How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective of the product. As set out in the product's Supplement, derivatives may be used for the purpose of efficient portfolio management and/or hedging purposes.



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

As at the date hereof, it is expected that the minimum proportion of investments of the product in environmentally sustainable economic activities aligned with the EU Taxonomy shall be 0%. The Investment Manager will disclose the actual proportion

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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

of investments aligned with EU Taxonomy on an annual basis on its website and in the periodic reporting of the product.

In order to attain the sustainable investment objective of this product, the product invests in sustainable investments even though such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of Taxonomy Regulation.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:

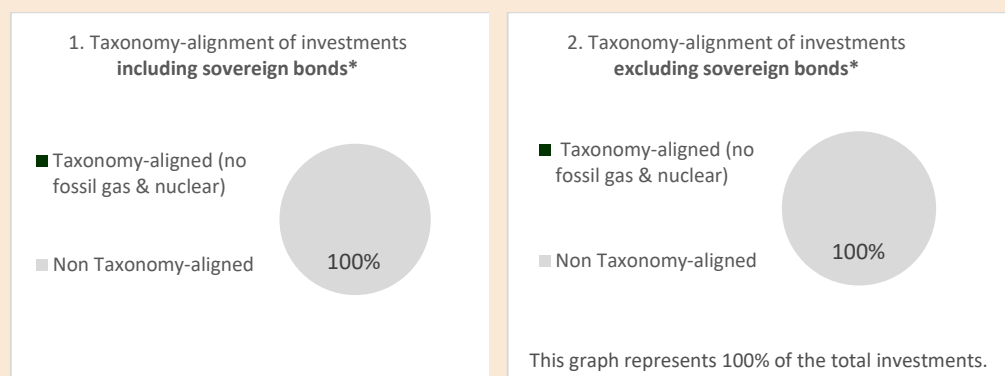
In fossil gas

In nuclear energy



No

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



* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

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

The minimum share of investments in transitional activities is 0.0% of the product’s assets.

The minimum share of investments in enabling activities is 0.0% of the product’s assets.

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

While the sum of sustainable investments with an environmental objective invested and sustainable investments with a social objective invested will add up to the product’s minimum share of 95% sustainable investments, the product does not commit to any minimum share of sustainable investments with an environmental objective. Accordingly, the minimum share of sustainable investments with an environmental objective is 0%. In addition, the product currently does not use the EU Taxonomy classification system in determining whether

 are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



economic activities contribute to an environmental objective or not. Therefore, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%.

The product does not commit to a certain allocation between environmental and social objectives individually, and instead seeks to invest in sustainable investments that contribute to environmental and social objectives based on investment and/or contribution opportunities.



What is the minimum share of sustainable investments with a social objective?

While the sum of sustainable investments with an environmental objective invested and sustainable investments with a social objective invested will add up to the product's minimum share of 95% sustainable investments, the product does not commit to any minimum share of sustainable investments with a social objective. Accordingly, the minimum share of sustainable investments with a social objective is 0%.

The product does not commit to a certain allocation between environmental and social objectives individually, and instead seeks to invest in sustainable investments that contribute to environmental and social objectives based on investment and/or contribution opportunities.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

From time to time some investments may not be aligned with the sustainable objectives of the product.

The “#2 Not sustainable” investments include, but are not limited to, instruments for efficient portfolio management and/or to provide ancillary liquidity in accordance with the investment policy of the product. Minimum environmental and social safeguards do not apply to such investments.

The proportion and use of such “#2 Not sustainable” investments does not affect the delivery of the sustainable investment objective on a continuous basis due to the limited use and the nature of those instruments.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable



Where can I find more product specific information online?

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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

<https://www.kbiglobalinvestors.com/sfdr-icavproduct-info/kb9cs/>