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**LARRAINVIAL ASSET MANAGEMENT SICAV**  
**SICAV with multiple compartments incorporated under**  
**Luxembourg Law**

**PROSPECTUS**  
**&**  
**ARTICLES OF INCORPORATION**

**February 2024**

*Subscriptions in LARRAINVIAL ASSET MANAGEMENT SICAV (the “SICAV”) may be made only on the basis of this prospectus (“Prospectus”), including the Articles of Incorporation and the fact sheets (each, a “Fact Sheet”) of each of the compartments and the key information document (“KID”). The Prospectus may only be distributed if accompanied by the most recent annual report and the most recent half-year report, if the half-year report is more recent than the annual report.*

*The fact that the SICAV is recorded on the official list compiled by the Commission de Surveillance du Secteur Financier - the Commission for the Supervision of the Financial Sector (“CSSF”) shall under no circumstance or in any way whatsoever be construed as a positive opinion given by the CSSF on the quality of the Shares offered for subscription.*

*No one is authorised to disclose any information other than what is contained in the Prospectus and in these Articles of Incorporation, as well as in the documents mentioned in the aforesaid documents.*

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## 1. THE SICAV AND PARTIES INVOLVED

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<b>Name of the SICAV</b>	LARRAINVIAL ASSET MANAGEMENT SICAV
<b>Registered Office of the SICAV</b>	106, route d'Arlon L-8210 Mamer
<b>No. in Luxembourg Trade and Companies Register</b>	R.C.S. B162041
<b>Legal Form</b>	Open-ended investment company ( <i>société d'investissement à capital variable</i> ) with multiple compartments incorporated under the laws of Luxembourg, subject to Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment (" <b>Law of 2010</b> ").
<b>Board of directors of the SICAV</b>	<p>Mr. José Manuel SILVA CERDA Chief Investment Officer (CIO)</p> <hr/> <p>LARRAINVIAL ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A.</p> <p>Avda. Isidora Goyenechea N° 2800, Piso 15 Las Condes, Santiago Chile</p> <p>Chairman</p> <p>Mr. Álvaro Ignacio MUÑOZ NUÑEZ Chief Operating Officer</p> <hr/> <p>LARRAINVIAL ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A.</p> <p>Avda. Isidora Goyenechea N° 2800, Piso 15 Las Condes, Santiago Chile</p> <p>Director</p> <p>Mr. Jaime OLIVEIRA SANCHEZ-MOLINI</p> <hr/> <p>C/ José Miguel Guridi, 158 28043 Madrid Spain</p> <p>Director</p> <p>Mr. Ladislao LARRAIN VERGARA Chief Executive Officer</p> <hr/> <p>LARRAINVIAL ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A.</p> <p>Avda. Isidora Goyenechea N° 2800, Piso 15, Las Condes, Santiago Chile</p> <p>Director</p>
<b>Management Company of the SICAV</b>	LEMANIK ASSET MANAGEMENT S.A. <i>Société Anonyme</i> 106, route d'Arlon L-8210 Mamer

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<b>Board of directors of the Management Company</b>	Mr. Gianluigi SAGRAMOSO Chairman  Mr. Carlo SAGRAMOSO Director  Mr. Philippe MELONI Director
<b>Managers of the Management Company</b>	Mr. Alexandre DUMONT Conducting Officer  Mr. Philippe MELONI Conducting Officer  Mr. Jean Philippe CLAESSENS Conducting Officer  Mrs. Armelle MOULIN Conducting Officer  Mr. Gilles ROLAND Conducting Officer
<b>Investment Managers</b>	LARRAINVIAL ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A. Avda. Isidora Goyenechea N° 2800, Piso 15 Las Condes, Santiago Chile  GAVEKAL CAPITAL LIMITED Suite 3101 & 08, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
<b>Domiciliary Agent</b>	LEMANIK ASSET MANAGEMENT S.A. <i>Société Anonyme</i> 106, route d'Arlon L-8210 Mamer
<b>Depositary</b>	J.P. MORGAN SE, LUXEMBOURG BRANCH 6, route de Trèves L-2633 Senningerberg
<b>Central Administration</b>	J.P. MORGAN SE, LUXEMBOURG BRANCH 6, route de Trèves L-2633 Senningerberg
<b>Authorised Independent Auditor</b>	Ernst & Young S.A. 35, avenue John F. Kennedy L-1855 Luxembourg

## **2. PRELIMINARY INFORMATION**

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No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus. If issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the SICAV. Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares of the SICAV shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

An investment in Shares of the SICAV involves investment risks including those set out herein under section 9 “Risks Associated with Investing in the SICAV”.

The distribution of the Prospectus and the offering or purchase of Shares of the SICAV is restricted in certain jurisdictions. The Prospectus do not constitute an offer of or invitation or solicitation to subscribe for or acquire any shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or would be unlawful. Persons receiving the Prospectus in any jurisdiction may not treat the Prospectus as constituting an offer, invitation or solicitation to them to subscribe for the Shares of the SICAV notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of the Prospectus and any persons wishing to apply for the Shares of the SICAV to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying.

### **Data protection**

In accordance with the applicable Luxembourg data protection law and the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (“**Data Protection Law**”), the SICAV acting as data controller (the “**Data Controller**”) collects stores and processes, by electronic or other means, the data supplied by the Investor and/or prospective Investors (or if the Investor and/or the prospective Investor is a legal person, any natural person related to it such as its contact person(s), employee(s), trustee(s), nominee(s), agent(s), representative(s) and/or beneficial owner(s)) (the “**Data Subjects**”) at the time of his/her/its investment for the purposes outlined below.

The data processed includes the name, contact details (including postal and/or e-mail address), identity card or passport number, banking details and the invested amount of the Investor (or, if the Investor is a legal person, of its contact person(s) and/or beneficial owner(s)) (the “**Personal Data**”).

The Data Subject may, at his/her/its discretion, refuse to communicate the Personal Data to the Data Controller. In this event however the performance of the subscription in the SICAV may be impaired if the relevant Personal Data is necessary to such subscription.

Investors and/or prospective investors who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Data Controller in compliance with the Data Protection Laws, including, where appropriate, informing the relevant Data Subjects of the contents of the present section, in accordance with Articles 12, 13 and/or 14 of the GDPR.

Personal Data supplied by the Data Subjects is processed in order to enter into and execute the subscription in the SICAV, for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller.

In particular, the Personal Data supplied by the Data Subjects is processed for the purposes of (i) subscribing in the SICAV, (ii) maintaining the Shares register; (iii) processing investments and withdrawals of and payments of dividends or interests to the Investor; (iv) account administration, (v) opening, closing and blocking of accounts in the name of the Shareholders, (vi) sending legal information or notices to the Shareholders, (vii) client relationship management, and (viii) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations or mandatory registrations with registers including among other the Luxembourg register of beneficial owners. Personal Data is not used for marketing purposes.

The “legitimate interests” of the Data Controller referred to above are:

- i. the processing purposes described in point (vii) of the above paragraph of this clause;

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- ii. the provision of the proof, in the event of a dispute, of a transaction or any commercial communication as well as in connection with any proposed purchase, merger or acquisition of any part of the SICAV's business;
- iii. compliance with foreign laws and regulations and/or any order of a foreign court, government, supervisory, regulatory or tax authority;
- iv. risk management, and
- v. exercising the business of the SICAV in accordance with reasonable market standards.

The Personal Data may also be processed by the Data Controller's data recipients (the "**Recipients**") which, in the context of the above mentioned purposes, refer to the Management Company, the Domiciliary Agent, the Depositary, the Central Administration, the Authorised Independent Auditor and the legal advisors. The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients and Sub-Recipients located within or outside the European Economic Area (the "**EEA**"), in countries whose data protection laws may not offer an adequate level of protection for personal data. In case of a transfer of Personal Data to Recipients and/or Sub-Recipients located outside the EEA in a country that does not provide an adequate level of protection, the SICAV will contractually ensure that the Personal Data relating to Investors is protected in a manner which is equivalent to the protection offered pursuant to the Data Protection Law, which may take the form of EU Commission approved standard contractual clauses. In such case, the SICAV will also, where necessary, implement additional safeguards to effectively ensure an adequate level of protection. In this respect, the Investor has a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Fund's address.

Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the data Controller and/or the Recipients), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax.

In accordance with the conditions laid down by the Data Protection Law, the Investor acknowledges his/her/its right to:

- access his/her/its Personal Data;
- correct his/her/its Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her/its Personal Data;
- ask for erasure of his/her/its Personal Data;
- ask for Personal Data portability.

The Investor may exercise the above rights by writing to the Data Controller at the following address: 106, route d'Arlon, L-8210, Mamer, Grand-Duchy of Luxembourg.

The Investor also acknowledges the existence of his/her/its right to lodge a complaint with the National Commission for Data Protection ("CNPD") at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand Duchy of Luxembourg.

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by law.

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### 3. DEFINITIONS

In the present prospectus, the following terms have the following meanings:

<b>Additional Tier 1</b>	has the meaning set out in Regulation (EU) N° 575/2013 of the European Parliament of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended
<b>Ancillary Assets</b> <b>Liquid</b>	ancillary liquid assets limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41 (1) of the Law of 2010 or for a period of time strictly necessary in case of unfavourable market conditions
<b>Articles of Incorporation</b>	Rules governing the internal management of the Company (containing pertinent information such as the Company's address, profile, distribution of powers and the type of shares to be issued)
<b>Bank Business Day in Luxembourg</b>	each day on which the banks are open for general business in Luxembourg (as more precisely disclosed in the relevant section of the Fact Sheets of the relevant Compartment and the Articles of Incorporation)
<b>Benchmarks Regulation</b>	means the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time
<b>Central Administration</b>	the administrative agent, registrar and transfer agent of the SICAV which is J.P. MORGAN SE, LUXEMBOURG BRANCH with office at 6, route de Trèves L-2633 Senningerberg
<b>Code</b>	U.S. Internal Revenue Code of 1986
<b>Controlling Person</b>	the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations
<b>Conversion fee</b>	the redemption charge which may be levied by the Company in relation to the conversion for any Share Class in any Compartment, details of which are set out in the relevant section
<b>Compartment</b>	separate portfolio of assets established for one or more Share Classes of Shares which is invested in accordance with a specific investment objective as described in the relevant section; a Compartment has no legal existence distinct of the Company; however each Compartment is liable only for the debts, liabilities and obligations attributable to it
<b>CRS</b>	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the CRS Law

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<b>CRS Law</b>	the amended Luxembourg law of 18 December 2015 on the Common Reporting Standard implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016.
<b>CSSF</b>	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg regulator for the financial sector
<b>Depository</b>	the depository bank and paying agent which is J.P. MORGAN SE, LUXEMBOURG BRANCH with office at 6, route de Trèves L-2633 Senningerberg
<b>Directive 2009/65/EC</b>	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 UCITS, as amended from time to time
<b>EEA</b>	The European Economic Area
<b>ESG</b>	Environmental, Social and Governance
<b>ESMA</b>	European Securities and Markets Authority
<b>ETF</b>	exchanged-traded fund which is a fund listed on a stock exchange and which typically tracks an index or an asset class
<b>EUR</b>	Euro, the single currency of the participating Member States of the European Economic and Monetary Union
<b>Fact Sheet</b>	Sheet(s) containing information relating to the compartment covered
<b>FATCA</b>	the Foreign Account Tax Compliance provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act on 18 March 2010, set out in sections 1471 to 1474 of the Code, and any U.S. Treasury regulations issued thereunder, Internal Revenue Service rulings or other official guidance pertaining thereto.
<b>FATCA Law</b>	the amended Luxembourg law dated 24 July 2015 implementing the Model I Intergovernmental Agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to the United States information reporting provisions commonly known as the Foreign Account Tax Compliance Act (FATCA).
<b>Financial Year</b>	a twelve months period ending on 31 December, or ending on such other date as may be provided in the Articles of Incorporation
<b>General Meeting</b>	the general meeting of the Shareholders of the Company, a Compartment or as the case may be a relevant Share Class
<b>High Yield</b>	means, in respect of securities, securities which, at the time of investment, are rated below BBB-, i.e. BB+ by a recognised rating agency, such as Standard & Poor's or equivalent
<b>Institutional Investor</b>	institutional investors, as defined by guidelines or recommendations issued by the CSSF from time to time



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<b>Investment Grade</b>	means, in respect of securities which, at the time of investment, are rated at least BBB- or equivalent by a recognised rating agency, such as Standard & Poor's or equivalent or in the case of unrated securities, securities which are deemed to be of comparable credit quality by the Investment Manager
<b>Investment Manager</b>	the investment manager which has been appointed by the Company in relation to the management of a relevant Compartment's portfolio
<b>Investor</b>	any person who contemplates to subscribe for Shares of the Company and, where the context requires, shall include that person as a Shareholder of the Company
<b>KID</b>	Key Investor Document in respect of each Compartment or category of Shares (as appropriate) for the purposes of Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended
<b>Law of 10 August 1915</b>	the Luxembourg Law of 10 <sup>th</sup> August 1915 on commercial companies as amended from time to time
<b>Law of 2010</b>	the Luxembourg Law of 17 <sup>th</sup> December 2010 governing undertakings for collective investment, as amended from time to time
<b>Luxembourg</b>	the Grand Duchy of Luxembourg
<b>Luxembourg Law</b>	the applicable laws and regulations of Luxembourg
<b>Management Fee</b>	the fee paid by the Company to the Investment Manager in relation to investment services provided to a relevant Compartment
<b>Market Timing</b>	any market timing practice within the meaning of CSSF Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an Investor systematically subscribes and redeems or converts units or shares of the same Luxembourg fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the fund
<b>Minimum initial investment</b>	in relation to each Share Class in each Compartment, the amount which is stipulated in the relevant section as the minimum aggregate subscription monies which a Shareholder or subscriber must pay when subscribing for a particular Share Class in a Compartment in which the Shareholder or subscriber does not hold that particular Share Class prior to such subscription
<b>NAV</b>	Net asset Value (cf. section 16)
<b>OECD</b>	the Organization for Economic Cooperation and Development
<b>OTC (derivatives)</b>	over-the-counter (derivatives)
<b>Redemption fee</b>	the redemption charge which may be levied by the Company in relation to the redemption of Shares for any Share Class in any Compartment, details of which are set out in the relevant section

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<b>Reference Currency</b>	(i) in relation to the Company, the currency in which the Net Asset Value of the Company is calculated and (ii) in relation to each Compartment and Share Class, the currency in which the Net Asset Value of such Compartment or Share Class is calculated, as stipulated in the relevant section
<b>SICAV or Company</b>	LarrainVial Asset Management SICAV ( <i>société d'investissement à capital variable</i> ), a Luxembourg investment company with variable capital, subject to the Law of 2010
<b>Share</b>	a unit of ownership with no par value which has been issued by the Company within a relevant Compartment, and as the case may be, within a relevant Share Class
<b>Share Class</b>	different types of Shares which are issued within a Compartment where specific features with respect to Subscription, Conversion or Redemption fee, Minimum initial investment amount, dividend policy or other specific features may be applicable
<b>Shareholder</b>	a person who holds one or more Shares
<b>SFDR</b>	means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended
<b>SFTs</b>	Securities financing transactions, which are defined in the SFTR as a repurchase or reverse-repurchase transaction, securities lending and securities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction
<b>SFTR</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
<b>Subscription fee</b>	The subscription charge which may be levied by the Company upon subscription of Shares in any Compartment, details of which are set out in the relevant section
<b>Sustainability Factors</b>	environmental, social and employee matters, respect for human rights, governance, anti-corruption and anti-bribery matters. Environmental factors may include, but are not limited to the exploitation of natural resources or waste treatment, the impact of emissions (as CO <sub>2</sub> ), or energy efficiency. Social factors may include human rights respect, treatment of workers and workers' rights or diversity issues. Governance factors may include the management of conflicts of interest, board independence, shareholder rights, remuneration of top management, etc.
<b>Sustainability Risk</b>	an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the SICAV
<b>Taxonomy Regulation</b>	means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088
<b>Tier 2</b>	has the meaning set out in Regulation (EU) N° 575/2013 of the European Parliament of the European Parliament and of the Council of 26 June 2013

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	on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended
<b>US</b>	United States, i.e. the United States of America
<b>USD</b>	United States Dollars, the currency of the United States of America
<b>Valuation Day</b>	each day as of which the Net Asset Value is determined in accordance with the Articles of Incorporation and the Prospectus
<b>VaR</b>	Value at risk (VaR) is a statistic that quantifies the extent of possible financial losses within a firm, portfolio, or position over a specific time frame.

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#### **4. DESCRIPTION OF THE SICAV**

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LARRAINVIAL ASSET MANAGEMENT SICAV is an investment company with variable capital ("SICAV") with multiple compartments incorporated under Luxembourg Law, subject to Part I of the Law of 2010.

The SICAV has been incorporated for an unlimited duration as of 29<sup>th</sup> June 2011. The Articles of Incorporation were last amended by the extraordinary General Meeting of 29<sup>th</sup> June 2018, and the mention of the deposit of the consolidated Articles of Incorporation was published in the *Recueil Electronique des Sociétés et Associations* on 20 July 2018.

The consolidation currency is the US Dollar. The minimum capital of the SICAV is one million two hundred and fifty thousand Euros (EUR 1,250,000.00) or the equivalent in another currency.

The Financial Year end is 31<sup>st</sup> December of each year.

The following compartments are currently offered for subscription:

<b>Name</b>	<b>Currency</b>
LARRAINVIAL ASSET MANAGEMENT SICAV – SMALL & MID CAP LATIN AMERICAN EQUITY FUND	USD
LARRAINVIAL ASSET MANAGEMENT SICAV – LATIN AMERICAN EQUITY FUND	USD
LARRAINVIAL ASSET MANAGEMENT SICAV – LATIN AMERICAN CORPORATE DEBT FUND	USD
LARRAINVIAL ASSET MANAGEMENT SICAV – TOTAL RETURN LATAM BOND FUND	USD
LARRAINVIAL ASSET MANAGEMENT SICAV – GAVEKAL LATAM LOCAL CURRENCY DEBT FUND	USD

The SICAV reserves the right to create new compartments. In this case, the Prospectus will be updated accordingly.

The SICAV is to be considered as one single legal entity. The assets of a compartment answer exclusively to Shareholder rights relating to that compartment and those of creditors where the debt arose from the creation, operation or liquidation of said compartment.

## **5. OBJECTIVE OF THE SICAV**

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The objective of the SICAV is to offer Shareholders the possibility of benefiting from professional portfolio management of transferable securities and/or other financial assets as defined in the investment policy of each compartment (see compartment Fact Sheets).

An investment in the SICAV must be considered as a medium to long-term investment. No guarantee may be given that the investment objectives of the SICAV will be met.

The investments of the SICAV are subject to normal market fluctuations and to the risks inherent in any investment and no guarantee may be given that the investments of the SICAV will be profitable. The SICAV intends to keep a diversified portfolio of investments in order to mitigate the investment risks.

## **6. ELIGIBLE INVESTMENTS**

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1. The investments of the SICAV include one or more of the following:
- (a) transferable securities and money market instruments quoted or traded on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and the Council of 21 April 2004 on financial instrument markets;
  - (b) transferable securities and money market instruments traded on another regulated market of an European Union Member State which is regulated, operates regularly, and is recognised and open to the public;
  - (c) transferable securities and money market instruments admitted to official listing on a stock exchange of a non-European Union country or traded on another regulated market of a non-European Union country that is regulated and operates regularly and is recognised and open to the public;
  - (d) newly issued transferable securities and money market instruments, provided that:
    - the conditions of issue include the commitment that the application for admission to official listing on a stock exchange or another regulated market that operates regularly and is recognised and open to the public, has been filed; and
    - the admission must be obtained no later than one year from the issue;
  - (e) units of undertakings in collective investments in transferable securities (“**UCITS**”) in accordance with Directive 2009/65/EC and/or other undertakings in collective investments (“**UCI**”) as defined by Article 1, paragraph 2, paragraphs (a) and (b) of Directive 2009/65/EC, whether or not the fund is located in a Member State of the European Union, provided that:
    - these other UCIs are approved in accordance with legal dispositions stipulating that these undertakings are subject to supervision which the CSSF considers as equivalent to that set by European Union laws and that cooperation between authorities is adequately guaranteed;
    - the level of protection guaranteed for holders of units in these other UCIs are either equivalent to that intended for holders of UCITS units and in particular, that the rules relating to splitting assets, borrowings, loans and 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 reported in half-year and annual reports enabling an assessment of the assets and liabilities, revenues and transactions in the period under consideration;
    - the proportion of the net assets of UCITS or these other UCIs under consideration for acquisition, which, pursuant to their management regulations or their incorporation documents, may be invested globally in the units of other UCITS or other UCIs, does not exceed 10%;
  - (f) deposits with a credit institution refundable on request or that may be withdrawn and have a maturity of twelve months or less, provided that the credit institution has its registered office in a Member State of the European Union 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 prescribed by European Union laws;
  - (g) financial derivative instruments, including similar instruments giving rise to payment in cash, which are traded on a regulated market of the type described in paragraphs (a), (b) and (c) above; or financial derivative instruments traded over-the-counter (“**OTC derivatives**”) provided that:
    - the underlying consists of instruments that fall under paragraph 1, financial indices, or interest rates, foreign exchange rates or currencies, in which the SICAV can invest in accordance with its investment objectives, as outlined in this Prospectus and in its Articles of Incorporation;

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- the counterparties to transactions on OTC derivatives are entities subject to prudential supervision and belong to categories approved by the CSSF; and
  - the OTC derivatives are valued in a reliable and verifiable manner on a daily basis and may be sold, liquidated or closed through a symmetrical transaction at any time at their fair value at the SICAV's initiative;
- (h) money market instruments other than those traded on a regulated market and referred to in article 1 of the Law of 2010, provided that the issuer or issuer of these instruments is itself regulated for the purpose of protecting Investors and savings and that these instruments are:
- issued or guaranteed by a central, regional or local authority, by a central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member state, or in the case of a Federal State, by one of the members comprising the federation, or by a public international entity to which one or more Member State belongs; or
  - issued by a company of which the shares are traded on the regulated markets described in paragraphs (a), (b) or (c) above, or issued or guaranteed by an institution subject to prudential monitoring according to the criteria defined by European Union law, or by an institution that is subject to and complies with prudential rules considered by the CSSF as at least as strict as those prescribed by European Union laws; or
  - issued by other entities belonging to categories approved by the CSSF provided that the investments in these instruments are subject to Investor protection rules equivalent to those stated under the first, second, or third indents and that the issuer is a company, the capital and reserves of which amount to at least 10 million euros (€10,000,000) and which reports and publishes its annual financial statements in accordance with the fourth Directive 78/660/EEC, or an entity which, within a group of companies including one or several listed companies is dedicated to the group's financing, or an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.
2. However, the SICAV may not:
- (a) invest more than 10% of its net assets in transferable securities or money market instruments other than those referred to in paragraph 1 of this section;
  - (b) acquire precious metals or certificates representing them.
3. The SICAV may:
- (a) acquire movable and immoveable property that is essential to the direct pursuit of its business;
  - (b) hold Ancillary Liquid Assets.

## **7. INVESTMENT RESTRICTIONS AND INVESTMENT TECHNIQUES**

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The criteria and restrictions described below must be complied with by each compartment of the SICAV.

### **Restrictions on transferable securities and money market instruments**

1. (a) The SICAV may not invest more than 10% of its net assets in transferable securities or money market instruments issued by the same entity. The SICAV may not invest more than 20% of its net assets in deposits invested with the same entity. The counterparty risk of the SICAV in a transaction on OTC derivatives may not exceed 10% of its net assets where the counterparty is one of the credit institutions described in section 6, paragraph 1(f) above, or 5% of its net assets in other cases.
- (b) The total value of the transferable securities and money market instruments held by the SICAV with issuers, in each of 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 that are subject to prudential supervision or to transactions on OTC derivatives with these institutions.
- (c) Notwithstanding the individual limits laid down in paragraph 1(a) above, the SICAV may not combine any of the following, if this would involve investing more than 20% of its net assets in a single entity:
  - investments in transferable securities or money market instruments issued by that entity;
  - deposits made with that entity; or
  - exposures arising from OTC derivatives issued with that entity.
- (d) The limit laid down in the first sentence in paragraph 1(a) above is raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its public local authorities, by a non-Member state or by public international institutions to which one or more Member States belong.
- (e) The limit laid down in the first sentence of paragraph 1(a) above is raised to a maximum of 25% for certain bonds, which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for qualifying debt securities issued before 8 July 2022 issued by a credit institution which has its registered office in a Member State of the European Union and which is legally subject to special public supervision designed to protect bondholders. In particular, the sums deriving from the issue of those bonds must be invested, in accordance with the law, in assets which, during the entire validity period of the bonds, are capable of covering claims attaching to the bonds and which, in the case of issuer's bankruptcy, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest on the bonds.

If the SICAV invests more than 5% of its net assets in the bonds referred to in the first paragraph where they are issued by a single issuer, the total value of such investments may not exceed 80% of the value of the net assets of the SICAV.

- (f) The transferable securities and money market instruments referred to in paragraphs 1(d) and 1(e) above shall not be taken into account for the purpose of applying the 40% limit referred to in paragraph 1(b) above.

The limits set out in paragraphs 1(a), 1(b), 1(c), 1(d) and 1(e) above shall not be combined; therefore, investments in transferable securities or money market instruments issued by the same entity, and in deposits or derivative instruments concluded with that entity carried out in accordance with paragraphs 1(a), 1(b), 1(c), 1(d) and 1(e) above shall not in total exceed 35% of the net assets of the SICAV.

Companies which are included in the same group for the purposes of account consolidation, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are considered as a single entity for the purpose of calculating the limits contained in this paragraph.



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The SICAV may cumulatively invest up to 20% of its net assets in transferable securities or money market instruments within the same group.

2. (a) Without prejudice to the limits laid down in paragraph 5, the limits laid down in paragraph 1 are raised to a maximum of 20% for investments in shares and/or debt security issued by the same entity, where, in accordance with the Articles of Incorporation, the investment policy of the SICAV is designed to replicate the composition of a specific share or debt securities index that is recognised by the CSSF, on the following basis:
  - the index composition is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - it is published in an appropriate manner.
- (b) The limit laid out in paragraph 2(a) above is 35% where that proves to be justified by exceptional market conditions, particularly on regulated markets where certain transferable securities or money market instruments are highly dominant. Investment up to this limit is only authorised for a single issuer.
3. In accordance with the principle of risk spreading, the SICAV may also invest up to 100% of the net assets in different transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, by its local authorities, by any Member state of the OECD or by public international institutions to which one or more Member States of the European Union belong or by a non-Member State of the European Union approved by the CSSF, including Singapore and Brazil (each, a **“Public Issuer”**), provided that it holds securities belonging to at least six different issues and that the securities belonging to a single issue do not exceed 30% of the total amount of the assets.

**Restrictions on UCITS and other UCIs**

4. (a) Unless otherwise specified in its Fact Sheets, a compartment cannot invest more than 10% of its net assets in units of UCITS and/or UCIs as described in section 6, paragraph 1(e), (**“Other UCIs”**) and, in any case, a compartment may not invest more than 10% of its net assets in the units of the same UCITS or other UCI.

For the application of this investment limit, each compartment of a SICAV with multiple compartments is considered as a separate issuer, provided that the principle of segregation of obligations of the different compartments vis-à-vis third parties is ensured.

- (b) Investments in units of other UCIs may not in aggregate exceed 30% of the net assets of the SICAV.

When the SICAV has acquired units of UCITS or other UCIs, the assets of these UCITS or other UCIs shall not be combined for the purpose of the limits stated in paragraph 1 above.

- (c) When the SICAV invests in 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 through a common management or control mechanism or through a significant direct or indirect holding (each, a **“Linked UCI”**), that management company or other company cannot charge subscription or redemption fees for the SICAV's investment in the units of the other Linked UCIs.
- (d) If the SICAV invests a substantial portion of its assets in other Linked UCIs, the maximum level of management fees that may be charged both to the compartments concerned and to other Linked UCIs in which the compartments intend to invest will not exceed 4% of the assets under management. The SICAV shall disclose in its annual report the maximum proportion of management fees charged both to compartments concerned as well as to UCITS and/or other UCIs in which the compartments concerned invest.
- (e) A compartment of the SICAV (**“Investing compartment”**) may subscribe, acquire and/or hold Shares to be issued or issued by one or more compartments of the SICAV (each, a **“Target compartment”**) and the SICAV is not subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own Shares, provided however that:

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- the Target Compartment does not, in turn, invest in the Investing Compartment that is invested in this Target compartment; and
  - the proportion of net assets that the Target Compartments the acquisition of which is envisaged may invest overall in accordance with their particulars, in shares of other Target Compartments of the SICAV does not exceed 10%; and
  - any voting rights attached to the shares held by the Investing Compartment is suspended as long as they are held by the Investing Compartment concerned and notwithstanding the appropriate accounting and disclosures in periodic reports; and
  - in any event for as long as these securities of the Target compartment are held by the Investing Compartment, their value will not be taken into consideration for the calculation of the net assets of the SICAV for the purpose of verifying the minimum threshold of the net assets imposed by the Law of 2010; and
  - there is no duplication of management fees, subscription or redemption fees between those at the level of the Investing Compartment and the Target Compartment.
- (f) By way of derogation from the principle of risk spreading, in section 6 and in paragraph 1 above and 5(b) below 3<sup>rd</sup> indent and in the above restrictions but in compliance with applicable laws and regulations, each compartment of the SICAV (hereinafter “**feeder compartment**”) may invest at least 85% of its net assets in units of another UCITS or of an investment compartment thereof (hereinafter “**master UCITS**”). A feeder UCITS may hold up to 15% its assets in one of more of the following:
- ancillary liquid assets in accordance with section 6, paragraph 3;
  - financial derivative instruments, which may be used only for hedging purposes, in accordance with section 6, paragraph 1(g) and paragraphs 10 and 11 below;
  - movable and immoveable property that is essential to the direct pursuit of its business.
- For the purposes of compliance with paragraph 10 below, the feeder compartment shall calculate its overall exposure related to financial derivative instruments by combining its own direct exposure under this paragraph (f), first paragraph, 2<sup>nd</sup> indent, with:
- the real exposure of the master UCITS to financial derivative instruments, in proportion to the feeder compartment’s investments in the master UCITS; or
  - the master UCITS’s potential maximum overall exposure to financial derivative instruments laid down in the master UCITS management regulations or documents of incorporation in proportion to the feeder compartment investment in the master UCITS.
- (g) A compartment of the SICAV may however and to the broadest extent allowed by applicable laws and regulations but in accordance with conditions set out by them, be created or converted into a master UCITS within the meaning of Article 77(3) of the Law of 2010.

**Restrictions on taking control**

5. (a) The SICAV may not acquire shares carrying voting rights that allow it to exercise significant influence over the management of an issuing body.
- (b) Moreover, the SICAV may not acquire more than:
- 10% of non-voting shares from the same issuer;
  - 10% of the debt securities of the same issuer;
  - 25% of units from the same UCITS and/or UCI as defined above;
  - 10% of money market instruments issued by the same issuer.
- The limits laid down under the second, third and fourth indents may be disregarded at the time of acquisition if, at that time, the gross amount of bonds or money market instruments, or the net amount of issued securities cannot be calculated.
- (c) Paragraphs (a) and (b) above are waived as regards:

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- transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
- transferable securities and money market instruments issued by public international institutions to which one or more Member States of the European Union are members;
- shares held by the SICAV in the capital of a company incorporated in a non-Member state of the European Union that invests its assets mainly in the securities of issuing bodies of that State where, under the legislation of that State, such an investment is considered for the SICAV as the only way in which the SICAV can invest in the securities of issuing bodies of that State. This waiver, however, shall apply only if the investment policy of the company of the non-Member State to the European Union complies with the limits laid down in paragraphs 1, 4, and 5(a) and 5(b) above. Where the limits set in paragraphs 1 and 4 are exceeded, paragraph 6 shall apply mutatis mutandis;
- shares held by the SICAV in the capital of subsidiary companies which carry on the business of management, advising or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unit-holders exclusively on its or their behalf.

**Waivers**

6. (a) The SICAV need not necessarily comply with the limits laid down in this paragraph 6 when exercising subscription rights attaching to transferable securities or money-market instruments which form part of their assets. While ensuring observance of the principle of risk spreading, the SICAV may derogate from paragraphs 1, 2, 3 and 4(a), (b), (c) and d for six months following the date of its authorisation.
- (b) If the limits referred to in paragraph 6(a) are exceeded for reasons beyond the control of the SICAV or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

**Restrictions on borrowings, loans and short selling**

7. The SICAV is not authorised to borrow, except:
- (a) For the acquisition foreign currencies by means of “back-to-back loans”;
  - (b) For borrowings representing up to a maximum of 10% of its net assets, provided that it is on a temporary basis;
  - (c) For borrowings up to 10% of its net assets, provided that they are borrowings intended to allow the acquisition of immovable property essential for the direct pursuit of its business. In this case, such borrowings and those stated in paragraph 7(b), may under no circumstances exceed 15% of the net assets of the SICAV.
8. Without prejudice to the application of the provisions in section 6 above “Eligible Investments” and paragraphs 10 and 11 below, the SICAV may not grant loans or act as guarantor for third parties. This restriction shall not prevent the SICAV from acquiring transferable securities, money market instruments or other financial instruments referred to in section 6, paragraphs 1(e), 1(g) and 1(h), which are not fully paid up.
9. The SICAV cannot carry out short sales of transferable securities, money market instruments or other financial instruments that are not fully paid up as referred to in section 6, paragraphs 1(e), 1(g) and 1(h).

**Restrictions on financial derivative instruments and instruments and techniques of efficient portfolio management**

10. Financial derivative instruments may be used for purposes of investment and hedging. Additional restrictions or waivers for certain compartments may be described in the Fact Sheets of the compartments concerned.

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“Investment purposes” refers to the use of techniques and instruments to fulfil the investment objectives of the relevant compartment. “Hedging purposes” refers to combinations of positions on derivative instruments and/or positions in cash realized for the purpose of reducing risks (including currency risks) linked to derivatives and/or securities held by the relevant compartment.

The global exposure of each compartment relating to derivative instruments may exceed the total net asset value of the compartment in question.

Exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

As mentioned above, the SICAV may invest, as part of its investment policy and within the limits stated in paragraph 1(f) above, in financial derivative instruments, provided that its exposure to the underlying assets does not exceed the aggregate investment limits laid down in paragraph 1. When the SICAV invests in index-based financial derivative instruments, those investments will not be combined for the purposes of the limits laid down in paragraph 1.

When a transferable security or a money market instrument embeds a derivative instrument, this derivative instrument must be taken into account for the purposes of applying the provisions of this paragraph.

**Counterparty and management of collateral for OTC financial derivative transaction**

Each Compartment may invest into financial derivative instruments that are traded “over-the-counter” (“OTC”) including, without limitation, total return swaps or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in this section and the investment objective and policy of the Compartment as detailed in the sub-section “Larivainvial Asset Management SICAV - Fact sheets of the compartments” of section 19 “Information to Shareholders”.

The counterparties to any OTC financial derivative transactions, such as total return swaps or other financial derivative instruments with similar characteristics, entered into by the Fund, for each Compartment, are selected from a list of authorised counterparties established with the Investment Manager. The counterparties will be first class institution, from OCDE which are either credit institutions or investment firm, which are subject to prudential supervision and specialized in the relevant type of transaction, being of good reputation and a good rating.

The risk exposure to a counterparty generated through OTC financial derivatives must be combined when calculating counterparty risk limits referred to under section 9 “Risks Associated with Investing in the SICAV”.

The annual report of the SICAV will contain details of (i) the identity of such counterparties, (ii) the underlying exposure obtained through financial derivative transactions, and (iii) the type and amount of collateral received by the Compartments to reduce counterparty exposure.

In particular, each Compartment may employ total return swaps (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, the SFTR).

All revenues arising from total return swaps or other financial derivative instruments with similar characteristics (including, where applicable, Swap Agreements), net of fees and costs, will be returned to the Compartment. The Company may pay fees and costs, such as brokerage fees and transaction costs, to agents or other third parties for services rendered in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into such swaps or other instruments and/or any increase or decrease of their notional amount, and/or out of the revenues paid to a Compartment under such swap or other instruments, as compensation for their services. Recipients of such fees and costs may be affiliated with the Company, the Management Company or the Investment Manager, as may be applicable, as permitted by applicable laws. Fees may be calculated as a percentage of revenues earned by the Company through the use of such swaps or other instruments. If the Compartment makes use of such swaps or other instruments, additional information on revenues earned through the use of such swaps or other instruments, the fees and costs incurred in this respect as well as the identity of the recipients thereof, will be available in the Annual Report.

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For the time being, none of the compartment of the SICAV enters into total return swaps. Should it be the case in the future, it would be expressly detailed in the relevant Fact Sheet of the Compartment.

Where the SICAV enters into OTC financial derivative transactions, all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

- (a) Liquidity: any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive 2009/65/EC.
- (b) Valuation: collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (c) Issuer credit quality: collateral received should be of high quality.
- (d) Correlation: the collateral received by the SICAV should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (e) Collateral diversification (asset concentration): collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the SICAV receives from a counterparty of over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the SICAV is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, the SICAV may take an exposure up to 100% of its net asset value in transferable securities and money market instruments issued or guaranteed by a Public Issuer (as defined under item 3 above), provided that such securities are part of a collateral comprised of at least six different issues and the securities from any one issue do not account for more than 30% of the SICAV's net asset value.
- (f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (g) Where there is a title transfer, the collateral received should be held by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (h) Collateral received should be capable of being fully enforced by the SICAV at any time without reference to or approval from the counterparty.
- (i) Non-cash collateral received should not be sold, re-invested or pledged.
- (j) Cash collateral received should only be:
  - placed on deposit with entities prescribed in Article 50(f) of the Directive 2009/65/EC;
  - invested in high-quality government bonds;
  - used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the SICAV is able to recall at any time the full amount of cash on accrued basis;
  - invested in short-term money market funds.

#### **Securities lending transactions**

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

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For the time being, none of the compartments of the SICAV enter into securities lending transactions. Should it be the case in the future, it would be expressly detailed in the relevant Fact Sheet of the Compartment.

**Transactions with option to repurchase**

Transactions with option to repurchase consist in purchases and sales of securities under clauses that retain the seller's right to buy back from the purchaser the securities sold at a price and at a term agreed upon by the two parties when the agreement is concluded.

For the time being, none of the compartments of the SICAV enter into transactions with option to repurchase. Should it be the case in the future, it would be expressly detailed in the relevant Fact Sheet of the Compartment.

**Reverse repurchase and repurchase transactions**

Reverse repurchase and repurchase transactions consist in buying/selling transactions on transferable securities or money market instruments that are closed for cash simultaneously by a forward selling/buying agreement on the same transferable securities or money market instruments at a determined time. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Firm repurchase transactions consist of transactions in which, on maturity, the seller is obliged to take back the assets sold under the repurchase agreement and the buyer is obliged to return the assets acquired under the repurchase agreement.

For the time being, none of the Compartments of the SICAV enter into repurchase agreements and/or firm repurchase transactions as buyer or seller of securities or instruments. Should it be the case in the future, it would be expressly detailed in the relevant Fact Sheet of the Compartment.

**Risk management method**

11. In accordance with Luxembourg laws and regulations, the Management Company has adopted and implemented a risk management process which enables it to monitor and measure at any time the risks of the positions and their contribution to the overall risk profile of the Compartments.

The Management Company uses or makes sure that its appointed managers ("**Managers**") use a risk management method that allows at all times to control and measure the risk associated with positions and the contribution of such positions to the general risk profile of the portfolio and that allows precise and independent evaluation of the value of the OTC derivatives. The risk management method used depends however on the specific investment policy of each compartment with the understanding however that unless otherwise provided in the corresponding Fact Sheet of the compartment in question, the liabilities approach will be used with respect to all compartments.

The Management Company additionally makes use of a method that makes it possible to accurately and independently assess the value of the SICAV's financial derivative instruments and efficient portfolio management.

The Management Company ensures that the total net value of its portfolio is not exceeded by the overall risk posed by the financial derivative instruments. The current value of the underlying assets, counterparty risk, anticipated changes in the markets, and the amount of time available for closing out positions are all factors considered when calculating risks.

The VaR approach, in conjunction with stress testing, or the commitment method are used by the Management Company to assess the market risk component of the overall risk associated with financial derivative instruments.

***Commitment approach***

Under the commitment approach, all financial derivative positions of the Compartment are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of a Compartment is limited to 100% of its NAV.

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*Value at Risk (VaR) approach*

The VaR is defined as the maximum potential loss over a time horizon of 20 business days and is measured within a 99% confidence level.

The VaR may be calculated either using the absolute VaR approach or using the relative VaR approach:

The absolute VaR approach limits the maximum VaR that a Compartment can have relative to its Net Asset Value. It is measured against a regulatory limit of 20%.

The relative VaR approach is applied for Compartments where a reference portfolio is defined matching their investment strategy. Regulations prohibit exceeding twice the reference portfolio's VaR for a Compartment's relative VaR, which is expressed as a multiple of that portfolio's VaR.

The counterparty risk associated with OTC derivative instruments is evaluated in accordance with the market value notwithstanding the need to use ad hoc price fixing models when the market price is not available.

According to ESMA 10/788 standards, expected leverage is determined as the total notional amount of all derivative contracts engaged into by the Compartment, represented as a percentage of net asset value. Any netting and hedging measures are not considered. The predicted leverage does not, therefore, accurately reflect the actual level of investment risk existing in the Compartment. The anticipated leverage is not a legal maximum; rather, it is a degree of indication. The leverage could be higher depending on the state of the market. The Compartment will, however, continue to operate in accordance with its risk profile and, particularly, with its VaR limit.

**Currency Transactions**

12. A Compartment may invest in securities denominated both in its Reference Currency and other currencies. The Investment Manager may, at its discretion, employ currency hedging to seek to protect the value of the Compartment's holdings through notably foreign currency exchanges, which may generate income.

## **8. SUSTAINABILITY RELATED DISCLOSURES**

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Pursuant to SFDR, the Management Company is required to disclose the manner in which Sustainability Risks are integrated into the investment decision process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the SICAV.

The SICAV believes that material Sustainability Risks should be part of the investment process and embedded in the different investment strategies of the Compartments. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

As a consequence, the Investment Manager considers the Sustainability Factors and its associated Sustainability Risks as part of its investment process, integrating them in a proactive way that complements each investment and research process.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at portfolio level, further detail and specific information is given in each relevant Compartment.

Unless otherwise provided for a specific Compartment in the relevant Fact Sheet, the Compartments promote environmental or social characteristics through the investments pursued as provided by Article 8 SFDR.

Unless otherwise provided for a specific Compartment in the relevant Fact Sheet, the Compartments do not take into account the EU criteria for environmentally sustainable economic activities. As a consequence, the “do no significant harm” principle does not apply to the investments underlying the fund.

### **ESG policies/procedures and Article 8 SFDR**

Unless otherwise provided for and as further detailed for a specific Compartment in the relevant Fact Sheet, the Compartments promote E/S characteristics through the investments pursued, but will not make any sustainable investments.

As a result the relevant Compartment has certain ESG measures in place further described below (plus any other E/S characteristics set out in the relevant Fact Sheet for a particular Compartment):

- (a) First, the Investment Manager has in place at all times, and complies at all times with, a negative screening policy and procedures. These shall be prepared to provide reasonable comfort that the relevant Compartment does not make or hold direct investments in industries, market segments and companies considered to have harmful or controversial practices from an environmental or social perspective. The specific list of exclusion criteria (the “**Exclusion Criteria**”) is set out in the relevant Fact Sheet for a particular Compartment.
- (b) Secondly, the Investment Manager has in place at all times, and complies with, initial and ongoing due diligence requirements to provide comfort that companies in which investments are made by the relevant Compartment are likely to follow good governance practices (the “**Good Governance Practices**”).
  - As regards new investments, this matter is considered in the investment due diligence process, in some cases, using a rating produced by a third party ESG data provider. Data providers will often consider a range of criteria to assess whether investee companies follow good governance practices, including with respect to sound management structures (such as board independence and protection of minority shareholders’ interest), employee relations, commitment to ESG management, transparency and quality of information, bribery, corruption and headline risk, remuneration of staff and tax compliance. In other cases, the Investment Managers’ internal team will consider information it is able to obtain from public sources or the company itself, to make an evaluation.
  - It should be acknowledged that such due diligence cannot rule out all risks from a governance perspective. However, a focus on good governance aligns with the Investment Managers’ overall view that financial performance and value creation are enhanced by sound



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governance practices, including a robust approach to risk management, board accountability, and legal and regulatory compliance.

- (c) Thirdly, the Investment Manager applies its ESG Scoring Process (as defined below), which evaluates an issuer's performance against the ESG criteria.

**"ESG Scoring Process"** means the scoring process of the Investment Manager whereby the Investment Manager issues a score to each issuer, based on their historical and current performance, taking into account the environmental, social or governance risks that an issuer may present, the performance of each issuer against ESG factors that is drawn from a range of data sources. The Investment Manager uses various tools to determine the most material ESG factors by industry by reviewing available information. The Investment Manager then subsequently identifies best practice on a sectoral basis.

Using the framework above, the Investment Manager assesses the quality of the issuer's by the policies it has adopted and processes that they implement. The Investment Manager's analysis is based on the use of proprietary in-house ESG research (including proprietary questionnaire covering ESG questions to measure Sustainability Factors and the specific risks a investee company could address) supplemented by external third-party ESG information providers, as selected at the discretion of the Investment Manager, to source information as well as disclosures in the issuer's policy documents, company reports, sustainability reports, through direct engagement with government officials and company management.

For number of industries the Investment Manager's assessment may set out a minimum or starting score for that specific industry, which is based on the nature of the products and services provided and the ESG impact of those industries.

If existing holdings, compliant at the time of investment, subsequently become ineligible, they will be divested within a reasonable period of time, to the extent commercially practicable given the circumstances.

Further details of each Investment Manager's policies and procedures on these matters is available to shareholders on the following website: <https://www.lvamfunds.com/>.

Where the relevant Compartment uses derivatives, the ESG Scoring Process, the Exclusion Criteria and the Good Governance Practice will be applied.

However, it should be noted that these may be updated from time to time as regulatory expectations and industry best practices evolve.

## **9. RISKS ASSOCIATED WITH INVESTING IN THE SICAV**

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Before making an investment decision with respect to Shares of the SICAV, Investors should carefully consider all of the information set out in the Prospectus as well as their own personal financial and tax circumstances. Investors should have particular regard to, among other matters, the considerations set out in this section and in the Fact Sheets and in the KID. The risk factors referred to hereafter, alone or collectively, may reduce the return on the Shares of the SICAV and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of the SICAV.

The SICAV draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV (notably the right to participate in general shareholders' meetings) if the investor is registered himself and in his own name in the shareholders' register of the SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the SICAV. Investors are advised to take advice on their rights with their intermediary.

The price of the Shares of the SICAV can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Shares of the SICAV.

An investment in the Shares of the SICAV is exposed to risks which may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, counterparty risk, market volatility, political risks and risks of act of god. Each of these risks can arise also in conjunction with any other risks.

The risk factors set out in the Prospectus and in the KID are not exhaustive. There may be other risks that an Investor should consider that are relevant to its own situation and to particular current and future circumstances.

Before making any investment decision, Investors should be capable of evaluating the risks of an investment in the Shares of the SICAV and consult their own legal, tax and financial advisor, auditor or any other advisor in order to obtain complete information on (i) the appropriate characteristics of the investment in these Shares in the light of their own financial and tax situation and of particular circumstances, (ii) on the information included in the Prospectus, the Fact Sheets and the KID.

The diversification of portfolios of the compartments as well as the conditions and limits indicated in section 6 "Eligible Investments" and section 7 "Investment Restrictions and Investment Techniques" aim to monitor and limit the risks without eliminating them. The SICAV cannot guarantee that an investment strategy used previously successfully by the SICAV will continue successfully. Moreover the SICAV cannot guarantee that the previous return on the investment strategy used by the SICAV will be equal to the future return. Therefore the SICAV cannot guarantee that the investment objective of the compartments will be reached and that the Investors will recover the entire amount of their initial investment.

### **Market risk**

This is a general risk that applies to all investments. The variation of the values of transferable securities and other instruments is mainly determined by the fluctuation of financial markets as well as the economic development of the issuers, who are themselves affected by the general situation of the world economy and the economic and political conditions which may occur in their country.

### **Equities risk**

For compartments which invest in equities, the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events. Currency exchange rate movements will also cause changes in value when the currency of the investment is other than the base currency of the fund holding that investment. Compartments investing in growth stocks can be more volatile and may react differently to economic, political, market and issuer specific developments than the overall market. Historically, the prices of growth stocks have been more volatile than other securities, especially, over short term periods of time. Growth stocks may also be more expensive, relative to their earnings, than the market in general. As such, growth stocks can experience greater volatility in reaction to changes in earnings growth. The compartments may invest in initial public offerings ("IPOs"). IPO risk is the risk

that the market values of IPO Shares may experience high volatility from factors such as the absence of a prior public market, unseasoned trading, the limited number of Shares available for trading and limited information about the issuer. Additionally, a compartment may hold IPO Shares for a very short period of time, which may increase a compartment's expenses. Some investments in IPOs may have an immediate and significant impact on a compartment's performance.

#### **Bonds, Debt Instruments & Fixed Income (including High Yield Securities) risk**

For compartments which invest in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. The net asset value of a compartment invested in debt instruments will change in response to fluctuations in interest rates, perceived credit quality of the issuer, market liquidity and also currency exchange rates (when the currency of the investment is other than the Reference Currency of the compartment holding that investment). Some compartments may invest in high yielding debt instruments where the level of income may be relatively high (compared to Investment Grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held will be significantly higher than on lower yielding debt instruments.

Compared to higher- rated debt instruments, High Yield debt instruments generally tend to be more affected by economic and legislative developments, changes in the financial condition of their issuers, have a higher incidence of default and be less liquid. A compartment that invests in these types of instruments may, in addition, continue to earn the same level of interest income while its net asset value diminishes due to portfolio losses. As a result, the yield of the compartment may increase despite actual loss of principal.

#### **Investment in contingent convertible bonds**

Contingent convertible bonds (**CoCos**) offer the opportunity of a high return, but are as well associated with considerably high risks. The structure of CoCos is innovative yet untested. In case the pre-defined trigger event occurs (e.g. a shortfall in the core tier one capital ratio of the issuer under a certain level), CoCos originally issued as debt securities will automatically be converted in corporate shares (or amortized) without prior consultation of the holder of such CoCos. Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager of a compartment to anticipate the triggering events that would require the debt to convert into equity. The inherent risks of CoCos are in particular, without being limited to the following:

A deterioration of the core capital of the issuing bank which is influenced by numerous factors and difficult to predict;

- That fact that CoCos, upon occurrence of the trigger event, are (usually) converted into corporate share the repayment of which is subordinated to other creditors of the issuing bank;
- The occurrence of the trigger event and the potential partial or total loss of the investment;
- The possibility of the issuer to temporarily interrupt or even cancel coupon payments;
- Contrary to classical capital hierarchy, CoCos' investors may suffer a loss of capital when equity holders do not;
- For some CoCos, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.
- Some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority;
- It might be difficult for the Investment Manager of a compartment to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager might be forced to sell these new equity shares because the investment policy of the compartment does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares;
- Should a CoCos undergo a write-down, the CoCos' investors may lose some or all of its original investment;
- To the extent that the investments are concentrated in a particular industry, the CoCos' investors will be susceptible to loss due to adverse occurrences affecting that industry;

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- The attractive yield often offered by CoCos' may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, the underlying risks have not always been fully considered. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favourably from a yield standpoint. However, the risk of conversion or, for AT1 CoCos, the risk of coupon cancellation must be fully considered; and
- In certain circumstances finding a ready buyer for CoCos may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

In general, there is no guarantee that the amount invested in CoCos will be repaid at a certain time.

### **Emerging Markets risk**

Because of the special risks associated with investing in Emerging Markets, compartments which invest in such securities should be considered speculative. Investors in such compartments are advised to consider carefully the special risks of investing in emerging market securities. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in Emerging Markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require a compartment to accept greater custodial risks in order to invest, although the Custodian will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a compartment to make intended securities purchases due to settlement problems could cause the compartment to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a compartment due to subsequent declines in value of the portfolio security or, if a compartment has entered into a contract to sell the security, could result in potential liability to the purchaser. The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for a compartment's securities in such markets may not be readily available. Investors should note that changes in the political climate in Emerging Markets may result in significant shifts in the attitude to the taxation of foreign Investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign Investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of Shareholders in any compartment so affected.

### **Concentration risk**

Certain compartments may concentrate their investments on one or several countries, geographical areas, industry sectors, Share Classes, types of instruments or currencies that those compartments may be more greatly impacted by adverse economic, social, political or tax events which may occur in such countries, geographical areas, industry sectors, Share Classes, types of instruments or currencies concerned.

### **Interest rate risk**

The value of an investment may be affected by the variations of the interest rates. The interest rates may be affected by many elements or events such as monetary strategies, discount rate, inflation, etc. In general, the increase of the interest rates results in the decrease of the value of the investments in bonds instruments and other debt securities.

### **Credit risk**

A compartment, which invests in bonds and other fixed income securities, is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the

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security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Compartments investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Currency risk**

Because a compartment's assets and liabilities may be denominated in currencies different to the Reference Currency of the compartment, the compartment may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Reference Currency and other currencies. Changes in currency exchange rates may influence the value of a compartment's shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Reference Currency of the compartment, the value of the security will increase.

Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A compartment may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the compartment from benefiting from the performance of a compartment's securities if the currency in which the securities held by the compartment are denominated rises against the Reference Currency of the compartment.

**Liquidity risk**

A compartment is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of a Shareholder to request the redemption of his Shares from that compartment, and can also have an impact on the value of the compartment.

Although the compartments will invest mainly in liquid securities in which the Shareholders are entitled to request the redemption of their Shares within a reasonable timeframe, there may be exceptional circumstances in which the liquidity of such securities cannot be guaranteed. Absence of liquidity may have a determined impact on the compartment and the value of its investments.

**Pricing and Valuation risk**

The compartments assets comprise mainly quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, the compartments may also invest in unquoted and/or illiquid investments which will increase the risk of mispricing. Further, the SICAV will compute net asset values when some markets are closed for holidays or other reasons. In these and similar cases an objective verifiable source of market prices will not be available and the SICAV will invoke its Fair Value process which will determine a fair value price for the relevant investments; this Fair Value process involves assumptions and subjectivity.

**Counterparty and Settlement risk**

There is a risk of loss if a counterparty of a transaction fails to perform its financial or other obligations to the funds, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement never occurs the loss incurred by the fund will be the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Further, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the fund meets its settlement obligations but the counterparty fails before meeting its obligations.

**Specific risks related to J.P. Morgan operations**

The Depositary and more generally, J.P. Morgan, is required to act in accordance with J.P. Morgan policies, the laws and regulations of various jurisdictions relating to the prevention of money laundering, anti-terrorist financing and the implementation of sanctions, including but not limited to regulations issued by U.S. Treasury Department's Office of Foreign Assets Control. Accordingly, the Depositary is

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not obligated to execute payment orders or effect any other transaction where the beneficiary or other payee is a person or entity with whom J.P. Morgan is prohibited from doing business by any law or regulation applicable to J.P. Morgan, or in any case where compliance would, in J.P. Morgan's opinion, conflict with applicable law or banking practice or its own policies and procedures.

To comply with all applicable laws and regulations, J.P. Morgan may need to obtain, verify, and record information that identifies the Company, its directors and any other party asserting authority or control over the affairs of the Company, the Management Company and any beneficiary's or payee's name, address, date of birth (for individuals), and/or other information and documents that will allow J.P. Morgan to identify the beneficiary or payee.

Pursuant to the service agreements entered into between the Depositary, the Central Administration and the Company, the Company and the Management Company agree that J.P. Morgan may also request and obtain certain information from third parties regarding the beneficiary or payee. If the Company, the Management Company, a beneficiary or a payee fails to provide or consent to the provision of any such information, J.P. Morgan may close any account or discontinue providing any Service without further notice.

**Specific risks linked to the use of derivatives**

- Volatility

The price of a financial derivative instrument can be very volatile. The value and liabilities associated with investment strategies using derivative instruments can be more variable than the traditional investments and there may be greater exposure to possible losses. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested. Accordingly, a geared compartment may be regarded as having a higher risk profile than a comparable compartment which has no derivative gearing.

- Futures and Options

Under certain conditions, the SICAV may use options and futures on securities, indices and interest rates, as described in the compartment's Fact Sheet as well as in Section 7.10 "Restrictions on financial derivative instruments and instruments and techniques of efficient portfolio management" for the purpose of investment, and hedging. Also, where appropriate, the SICAV may hedge market and currency risks using futures, options or forward foreign exchange contracts. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

- OTC Financial Derivative Transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a compartment entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a compartment will sustain losses as further described below. The SICAV will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from

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certain counterparties. Regardless of these measures, the SICAV may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a compartment will not sustain losses as a result. From time to time, the counterparties with which the SICAV effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the SICAV might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide for the possibility to offset the SICAV's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the SICAV may be required, and must be able, to perform its obligations under the contracts.

The SICAV may also enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the SICAV. There is a risk of loss by a SICAV of its initial and variation margin deposits in the event of default of the clearing broker with which the SICAV has an open position or if margin is not identified and correctly report to the particular SICAV, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the SICAV may not be able to transfer or "port" its positions to another clearing broker.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the SICAV has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the ISDA.

#### **Risk linked to securities lending operations**

Securities lending transactions, repurchase and reverse repurchase agreements transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The main risk linked to the securities lending operations is that the securities borrower becomes insolvent or is not able to return the securities lent and that simultaneously the value of collateral received does not cover the replacement cost of the securities lent. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the compartment. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

In case of reinvestment of the collateral, the value of the collateral can decrease to a level lower than the value of the securities lent by the SICAV.

Securities lending transactions, repurchase and reverse repurchase agreements also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the compartment or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the SICAV to meet redemption requests. The compartment may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

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The attention of the investors is also drawn on the fact that the SICAV that lends securities abandons the voting right to the general meetings attached to the securities lent during the whole lending period.

#### **Warrant risks**

With regard to investment in warrants investors should note that the gearing effect of investment in warrants and the volatility of warrant prices make the risk attached to the investment in warrants higher than in the case with investment in equities.

#### **Collateral management**

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase and reverse repurchase agreements is generally mitigated by the transfer or pledge of collateral in favour of the compartment. However, transactions may not be fully collateralised. Fees and returns due to the compartment may not be collateralised. If a counterparty defaults, the compartment may need to sell non-cash collateral received at prevailing market prices. In such a case the compartment could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the compartment to meet redemption requests.

A compartment may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the compartment to the counterparty as required by the terms of the transaction. The compartment would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the compartment.

#### **Sustainability Risks**

Such risks are linked to events or conditions affecting the Sustainability Factors, including environmental, social and governance matters as described before.

As environmental events, for instance, there are climate-related events resulting from climate change or to the society's response to climate change Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices etc.) may also translate into Sustainability Risks.

Following the occurrence of events or conditions affecting specific Sustainability Risks, impacts may be numerous and varied depending on the event itself, region, sector and asset class, which may result in unanticipated losses (negative impact or even an entire loss of the value of one or several specific positions) that could affect SICAV's investments and financial condition.

As examples of specific consequences that Sustainability Risks could have in the valuation of financial instruments issued or related to a company in which the SICAV invests, could be:

- fines and other regulatory sanctions
- stakeholders claims and long litigation processes
- damage of reputation, resulting in a structural fall in demand for its products or services
- exclusion from new potential business opportunities
- loss of key personnel
- physical loss including damage to facilities, real estate and infrastructure.

Sustainability Risk events may impact specific investments or may have a broader impact on particular economic sectors, geographical or political regions or countries that should be taken into account.

#### **ESG Risk**

Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and therefore the Compartment may give up some market opportunities available to it that do not use ESG or sustainability criteria. Securities of companies with ESG practices may shift into and out of favour depending on market and economic conditions, and the



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Compartment's performance may at times be better or worse than the performance of funds that do not use ESG or sustainability criteria.

#### **Changes in tax law, practice and interpretation**

Applicable law and any other rules or customary practice relating to or affecting tax, or the interpretation of these in relation to the Shareholders, the SICAV and its investments may change during the life of the SICAV (possibly with retroactive effect). In particular, both the level and basis of taxation may change. Additionally, the interpretation and application of tax law, rules and customary practice by any taxation authority or court may differ from that anticipated by the SICAV and its advisors. This could significantly affect returns to the SICAV and the Shareholders.

#### **Base Erosion and Profit Shifting and Anti-Tax Avoidance Directives**

The pace of evolution of fiscal policy and practice has been lately quickened due to a number of developments. In particular, the Organization for Economic Co-operation and Development (the "**OECD**") together with the G20 countries have committed to address abusive global tax avoidance, referred to as base erosion and profit shifting ("**BEPS**") through 15 actions detailed in reports released on 5 October 2015.

As part of the BEPS project, new rules dealing *inter alia* with the abuse of double tax treaties, the definition of permanent establishments, controlled foreign companies, restriction on the deductibility of excessive interest payments and hybrid mismatch arrangements, have been or will be introduced into respective domestic laws of jurisdictions part of the BEPS project via European directives and a multilateral instrument.

The Council of the European Union adopted two Anti-Tax Avoidance Directives (*i.e.* Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("**ATAD I**") and Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries ("**ATAD II**") that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented by the law of 21 December 2018 (the "**ATAD I Law**") and the law of 20 December 2019 (the "**ATAD II Law**") into Luxembourg domestic law. Most of the measures have been applicable since 1 January 2019 and 1 January 2020, the remaining being applicable as from 2022. These measures may significantly affect returns to the SICAV and the Shareholders.

Furthermore, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. Luxembourg ratified the MLI through the Luxembourg law of 7 March 2019 and deposited its instrument of ratification with the OECD on 9 April 2019. As a result, the MLI entered into force for Luxembourg on 1 August 2019. Its application per double tax treaty concluded by Luxembourg depends on the ratification by the other contracting state and on the type of tax concerned. The resulting changes and any other subsequent changes in tax treaties negotiated by Luxembourg may significantly affect returns to the SICAV and the Shareholders.

#### **FATCA and CRS**

Under the terms of the FATCA Law and CRS Law, the SICAV may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the SICAV become subject to a withholding tax and/or penalties as a result of non-compliance under the FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the value of the Shares held by all Shareholders may be materially affected.

Furthermore, the SICAV may also be required to withhold tax on certain payments to its Shareholders which would not be compliant with FATCA (*i.e.* the so-called foreign passthru payments withholding tax obligation).

## **10. MANAGEMENT COMPANY**

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The SICAV has appointed LEMANIK ASSET MANAGEMENT S.A., as the Management Company in charge of the portfolio management, the central administration functions and the distribution of the SICAV. The Management Company is authorised to act as a Management Company in accordance with the provisions of Chapter 15 of the Law of 2010.

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the Remuneration Policy).

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the SICAV or the compartments. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest. In particular, the Remuneration Policy will ensure that:

- (a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control
- (b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- (c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks.

In context of delegation, the Remuneration Policy will ensure that the Delegate complies with the following:

- (a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (b) if at any point of time, the management of the Company were to account for 50 % or more of the total portfolio managed by the Delegate, at least 50 % of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (b); and
- (c) a substantial portion, and in any event at least 40 % of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [http://www.lemanikgroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanikgroup.com/management-company-service_substance_governance.cfm). A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.

The Management Company has delegated, under its own responsibility and control, the central administration function to J.P. MORGAN SE, LUXEMBOURG BRANCH.

Subject to the prior agreement of the SICAV, the Management Company may delegate, under its responsibility and control, the portfolio management function for one or more compartments to several Investment Managers, whose names are indicated in the Fact Sheets of the compartments. The rate of

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the portfolio management commission and any performance commission are indicated in the Fact Sheets of the compartments.

Subject to the prior agreement of the SICAV, the Management Company may authorise one or more Investment Managers to delegate, under its responsibility and control, the portfolio management function for one or more compartments to one or more Sub-Investment Managers, whose names are indicated in the Fact Sheets of the compartments. The rate of the sub-portfolio management commission and any performance commission are indicated in the Fact Sheets of the compartments.

The Management Company or any Investment Manager or Sub-Investment Manager may, under its own responsibility, at its own cost, in accordance with current Luxembourg Law and regulations and without leading to an increase in the Management Fees/portfolio Management Fees, seek assistance from one or more Investment Advisors whose activity consists of advising the Management Company or the Investment Manager or Sub-Investment Manager in its investment policy.

Any Investment Manager or Sub-Investment Manager may select brokers furnishing directly or through correspondent relationships, with proprietary research or other appropriate services which provide assistance to the Investment Manager or Sub-Investment Manager in the investment decision-making process. Any costs relating to the research by the brokers may be charged to the relevant Compartment without entailing any increase of fees borne by the Compartments.

The Management Company may appoint, under its responsibility and its control, one or more distributors with a view to investing the Shares of one or several compartments of the SICAV.

## **11. INVESTMENT ADVISORS**

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The SICAV may seek assistance from one or more Investment Advisors whose activity is to advise the SICAV in its investment and/or placement policy.

The name and a description of the Investment Advisors, if applicable, as well as their fees are given in the Fact Sheets of the compartments.

## **12. DEPOSITARY**

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J.P. MORGAN SE, LUXEMBOURG BRANCH has been appointed depositary of the Company under the terms of a written agreement between J.P. MORGAN SE, Luxembourg Branch, the Management Company and the Company (the “**Depositary**”).

J.P. MORGAN SE, Luxembourg Branch is a branch of J.P. Morgan SE (Germany), which is a licensed bank incorporated in Germany registered with the local court of Frankfurt am Main, Germany HRB 126056, VAT number DE114103709, acting through its Luxembourg Branch, whose office is at 6, route de Trèves L-2633 Senningerberg, Grand-Duchy of Luxembourg, and is supervised by the CSSF.

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Art 34.1 of the Law of 2010), (ii) the monitoring of the cash flows of the Company (as set out in Art 34.2 of the Law of 2010) and (iii) the safekeeping of the Company's assets (as set out in Art 34.3 of the Law of 2010).

Under its oversight duties, the Depositary is required to:

- (1) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Luxembourg Law or with the Articles of Incorporation;
- (2) ensure that the value of Shares is calculated in accordance with the Luxembourg Law and the Articles of Incorporation;
- (3) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the Luxembourg Law or the Articles of Incorporation;
- (4) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits;
- (5) ensure that the Company's revenues are allocated in accordance with the Luxembourg Law and the Articles of Incorporation.

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with J.P. MORGAN SE, Luxembourg Branch in parallel with an appointment of J.P. MORGAN SE, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where J.P. MORGAN SE, Luxembourg Branch or its affiliates act as agent of the Company or the Management Company, or
- selection of J.P. MORGAN SE, Luxembourg Branch or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of Shareholders.

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

- identifying and analysing potential situations of conflicts of interest;
- recording, managing and monitoring the conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;

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- implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
- implementing a deontological policy;
- recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the company's interests; or
- setting-up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary agreement.

The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystallizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

An up-to-date list of these delegates and sub-delegates for its safekeeping duties is available upon request.

Such list may be updated from time to time. Updated information on the Depositary's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary. Updated information on the Depositary's duties and the conflict of interests that may arise are available to investors upon request.

The Company or the Management Company acting on behalf of the Company may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Company. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two months.

J.P. MORGAN SE, Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other JPMORGAN Chase & Co. entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. Further information on J.P. MORGAN SE, Luxembourg Branch international operating model may be provided upon request by the Company and/or the Management Company.

## **13. DESCRIPTION OF SHARES, RIGHTS OF SHAREHOLDERS AND DISTRIBUTION POLICY**

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The Share capital of the SICAV is equal to the total net assets of the various compartments.

Each compartment may offer distributing Shares ("**Distribution Shares**") and non-distributing Shares ("**Accumulation Shares**"). Fact Sheet of the compartments shall indicate whether Shares confer the right to dividend distributions (inc) or do not confer this right (acc). Distribution Shares and Accumulation Shares issued within the same Compartment will be represented by different Share Classes.

Accumulation Shares capitalise their entire earnings whereas Distribution Shares pay dividends. Whenever dividends are distributed to holders of Distribution Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Accumulation Shares will remain unaffected by the distribution made to holders of Distribution Shares.

For tax and accounting purpose, and to avoid any dilution in respect of Distribution Shares, the SICAV uses an accounting practice known as equalisation, by which a portion of the subscription price or redemption price, equivalent on a per Share basis to the amount of undistributed earnings of the Share Class on the subscription day or redemption day, is credited or charged to undistributed earnings of such Share Class. As a result, undistributed earnings per Share are unaffected by subscriptions or redemptions of Shares on any subscription day or redemption day.

The SICAV shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the SICAV shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares. The dividend distribution policy may vary between Distribution Shares within the same or different compartments. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the SICAV would fall below the minimum share capital required by the 2010 Law which is currently one million two hundred and fifty thousand Euros (EUR 1,250,000.00) or the equivalent in another currency.

No interest shall be paid on dividend distributions declared by the SICAV which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class. The compartments currently offered for subscription will issue the following Share Classes:

1. **Share Class A and Share Class AD:** Such Share Classes will be denominated in the Reference Currency of the compartment and differ from Share Class F and Share Class I on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. The Fact Sheet of the compartments may specify a minimum initial investment (the "**Minimum initial investment**") for these Share Classes. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
2. **Share Class C:** Such Share Class will be denominated in EUR on the basis of a different fee structure, as specified in the Fact Sheet of each compartment and is exclusively dedicated to Investors that subscribe to such Share Class as from the launch date of the relevant compartment until the date on which aggregate subscriptions in the relevant compartment reach EUR 50,000,000. Thereafter, subscription to such Share Class will be closed to new Investors. However, Share Class C will continue to be open for subscriptions for Shareholders that are already invested into such Share Class C, even if the relevant compartment has reached EUR 50,000,000 aggregate subscriptions. The Minimum initial investment for Share Class C is EUR 10,000,000. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
3. **Share Class EA:** Such Share Class will be denominated in EUR and differ from Share Class EF and Share Class EI on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion

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of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.

4. **Share Class UA:** Such Share Class will be denominated in USD and differ from Share Class UF and Share Class UI on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
5. **Share Class F and Share Class FD:** Such Share Classes will be denominated in the Reference Currency of the compartment and differ from Share Class A and Share Class I on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. The Fact Sheet of the compartments may specify a Minimum initial investment for these Share Classes. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
6. **Share Class EF:** Such Share Class will be denominated in EUR and differ from Share Class EA and Share Class EI on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
7. **Share Class UF:** Such Share Class will be denominated in USD and differ from Share Class UA and Share Class UI on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
8. **Share Class I and Share Class ID:** Such Share Classes will be denominated in the Reference Currency of the compartment and differ from Share Class A and Share Class F in that they are exclusively dedicated to Institutional Investors and on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. These Share Classes can be offered (i) through financial intermediaries which according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions, (the “**Financial Intermediaries**”) or (ii) to Institutional Investors investing on their own behalf. The Fact Sheet of the compartments may specify a Minimum initial investment for these Share Classes. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
9. **Share Class EI:** Such Share Class will be denominated in EUR and differ from Share Class EA and Share Class EF in that they are exclusively dedicated to Institutional Investors and on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. This Share Class can be offered (i) through Financial Intermediaries, or (ii) to Institutional Investors investing on their own behalf. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
10. **Share Class UI:** Such Share Class will be denominated in USD and differ from Share Class UA and Share Class UF on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. This Share Class can be offered (i) through Financial Intermediaries, or (ii) to Institutional Investors investing on their own behalf. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.



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11. **Share Class L:** Such Share Class will be denominated in the Reference Currency of the compartment and differ from Share Class A and Share Class F on the basis of a different fee structure, as specified in the Fact Sheet of each compartment and is reserved for UCITS and/or other UCI promoted by the LARRAIN VIAL group. Access to this class is subject to the approval of the SICAV's Board of Directors. Shares of class L may be subscribed by financial institutions providing the institutions in question confirm, respectively, to the SICAV, Depositary or transfer agent that they are, as regards to the subscription and/or conversion orders in question, acting exclusively on behalf of UCITS and/or other UCI promoted by the LARRAIN VIAL group. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
12. **Share Class LD:** Such Share Class will be denominated in the Reference Currency of the compartment and differ from Share Class A and Share Class F on the basis of a different fee structure, as specified in the Fact Sheet of each compartment and is reserved for UCITS and/or other UCI promoted by the LARRAIN VIAL group. Access to this class is subject to the approval of the SICAV's Board of Directors. Shares of class LD may be subscribed by financial institutions providing the institutions in question confirm, respectively, to the SICAV, Depositary or transfer agent that they are, as regards to the subscription and/or conversion orders in question, acting exclusively on behalf of UCITS and/or other UCI promoted by the LARRAIN VIAL group. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
13. **Share Class UL:** Such Share Class will be denominated in USD and differ from Share Class A and Share Class F on the basis of a different fee structure, as specified in the Fact Sheet of each compartment and is reserved for UCITS and/or other UCI promoted by the LARRAIN VIAL group. Access to this class is subject to the approval of the SICAV's Board of Directors. Shares of class L may be subscribed by financial institutions providing the institutions in question confirm, respectively, to the SICAV, Depositary or transfer agent that they are, as regards to the subscription and/or conversion orders in question, acting exclusively on behalf of UCITS and/or other UCI promoted by the LARRAIN VIAL group. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
14. **Share Class X and Share Class XD:** Such Share Classes will be denominated in the Reference Currency of the compartment and differ from Share Class A, Share Class F and Share Class I in that they are exclusively dedicated to Institutional Investors and on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. These Share Classes can be offered (i) through Financial Intermediaries, or (ii) to Institutional Investors investing on their own behalf. The Fact Sheet of the compartments may specify a Minimum initial investment for these Share Classes. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
15. **Share Class EX:** Such Share Class will be denominated in EUR and differ from Share Class EA, Share Class EF and Share Class EI in that it is exclusively dedicated to Institutional Investors and on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. This Share Class can be offered (i) through Financial Intermediaries, or (ii) to Institutional Investors investing on their own behalf. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.
16. **Share Class UX:** Such Share Class will be denominated in USD and differ from Share Class UA, Share Class UF and Share Class UI in that it is exclusively dedicated to Institutional Investors and on the basis of a different fee structure, as specified in the Fact Sheet of each compartment. This

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Share Class can be offered (i) through Financial Intermediaries, or (ii) to Institutional Investors investing on their own behalf. The Fact Sheet of the compartments may specify a Minimum initial investment for that Share Class. Such Minimum initial investment may nevertheless be waived at the discretion of the board of directors of the SICAV provided that the directors in exercising their discretion will take due consideration of treating Shareholders fairly and equally at a given net asset value.

The dividends paid for any Distribution Share Class may, at the request of the Shareholder concerned, be paid in cash or by attribution of new Shares of the Share Class concerned.

The Share Classes available for each compartment as well as the availability of Distribution (inc) and/or Accumulation (acc) Shares are indicated in the Fact Sheet of each compartment.

Share Classes that are denominated in a Reference Currency other than the Reference Currency of the Compartment expose the Shareholders to the risk of fluctuations between the Reference Currency of the Share Class and that of the Compartment and such currency risk will not be hedged.

## **14. OBLIGATIONS AND CONSTRAINTS RESULTING FROM FATCA**

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### **General introduction on FATCA**

Capitalized terms used in this section should have the meaning as set forth in the FATCA Law, unless otherwise provided herein.

The SICAV may be subject to regulations imposed by foreign regulators, including FATCA. The objective of FATCA is to combat U.S. tax evasion by certain U.S. Persons and obtain from non-US financial institutions ("**Foreign Financial Institutions**" or "**FFIs**") information relating to such U.S. Persons that have direct or indirect accounts with or investments in those FFIs.

In case FFIs choose not to comply with FATCA, FATCA will impose a withholding tax of 30 % on certain U.S. source income and gross sales proceeds.

To be relieved from this 30% withholding tax, FFIs will need to enter into an agreement with the Internal Revenue Service (the "**IRS**") except if they are incorporated in a country that entered into an intergovernmental agreement of Model 1 ("**Model 1 IGA**") with the United States. In this latter case, FFIs will be obliged to comply with the provisions of FATCA under the terms of the relevant Model 1 IGA and of their home country IGA legislation implementing FATCA.

Luxembourg has entered into a Model I IGA with the United States (the "**Luxembourg IGA**"), which means Luxembourg FFIs must comply with the provisions of FATCA under the terms of the Luxembourg IGA and of the FATCA Law.

In particular, since July 2014, Luxembourg FFIs are required to report indirectly through the Luxembourg tax authorities to the IRS certain holdings by and payments made to (i) Specified U.S. Persons, (ii) certain non-financial foreign entities ("**NFFE**s") with a significant ownership by Specified U.S. Persons (iii) and FFIs that do not comply with the terms of the FATCA.

### **Applicability of FATCA to the SICAV**

Being established in Luxembourg and subject to the supervision of the CSSF in accordance with the Law of 2010, the SICAV qualifies as an FFI for FATCA purposes.

This includes the obligation for the SICAV to regularly assess the FATCA status of its Shareholders. To this extent, the SICAV will request to obtain and verify information on all of its Shareholders. Upon request of the SICAV, each Shareholder agrees and commits to provide certain information, including, in case of a NFFE, information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each Shareholder agrees and commits to actively inform the SICAV within thirty days of any change to the information and supporting documentation provided (like for instance a new mailing address or a new residency address) that would affect the Shareholder's FATCA status.

Should the SICAV fail to obtain the mandatory information or supporting documentation from its Shareholders, the SICAV is allowed, in its sole discretion unless otherwise mandatory under FATCA, to take any action to comply with its obligations under FATCA. Such action may include the disclosure to the Luxembourg tax authorities of the name, address and taxpayer identification number (if available) of the relevant registered Shareholder as well as information like account balances, income and capital gains of such registered Shareholder.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the SICAV.

Additionally, the SICAV is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the SICAV is to be processed in accordance with the applicable data protection legislation.

The SICAV will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the SICAV will be able to satisfy these obligations. If the SICAV becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses. The failure for the SICAV to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income as well as penalties.

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Additionally, the SICAV may also, in its sole discretion, forcefully redeem any Shareholder or disregard subscriptions from any investor it deems may jeopardize its FATCA status.

Under FATCA, US Specified Persons, nonparticipating FFIs and any Shareholders that fail to abide by the SICAV's FATCA obligations will be reported to the Luxembourg authorities which will in turn pass on the information to the US Department of Treasury.

Any Shareholder that fails to provide the SICAV with the information and supporting documentation requested by the SICAV to comply with its obligations under FATCA, may be charged with any taxes and/or penalties imposed on the SICAV attributable to such Shareholder's failure to provide the information and supporting documentation requested.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

All prospective Shareholders are recommended to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the SICAV.

**Eligibility criteria of investors in the SICAV**

At the discretion of the SICAV and to prevent the SICAV from incurring any liability or taxation or suffering any other disadvantage or constraint arising from FATCA, shares of the SICAV must not be offered to, sold to, transferred to or held by a non-participating FFI (a nonparticipating FFI ("**NPFFI**") means an FFI that is a nonparticipating FFI established in a non-Model I IGA country or an FFI established in a Model I IGA country that is considered by the United States as a NPFFI).

## **15. SUBSCRIPTIONS, REDEMPTIONS, CONVERSIONS AND TRANSFERS**

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### **Subscriptions / redemptions / conversions / transfers**

Subscriptions, redemptions, conversions and transfers of Shares of the SICAV are processed in accordance with the provisions of the Articles of Incorporation included in this Prospectus and as indicated in the Fact Sheets of each compartment.

Subscriptions, redemptions and conversions are executed in the currency of the Share Class, as indicated in the Fact Sheets of each compartment.

Subscription, conversion and redemption forms may be obtained by addressing your request to:

- the Central Administration
- the registered office of the SICAV

Orders for subscription, redemption, conversion and transfer on behalf of the SICAV should be addressed to the J.P. MORGAN SE, LUXEMBOURG BRANCH, 6, route de Trèves L-2633 Senningerberg or by facsimile to fax number +352 46268 5432 or to the entities authorised to receive orders for subscription, redemption, conversion and transfer on behalf of the SICAV in the countries in which the Shares of the SICAV are publicly marketed, in accordance with the terms and conditions prescribed in the fact sheet of the relevant compartments.

### **Provisions on the prevention of money-laundering and the financing of terrorism**

In accordance with the international regulations and the laws and regulations applicable in Luxembourg on the fight against money laundering and terrorist financing, professionals in the financial sector are subject to obligations intended to prevent the use of undertakings for collective investment for the purposes of money laundering and terrorist financing. As such, the SICAV, the Central Administration and any duly mandated person is required to identify subscribers in application of Luxembourg Laws and regulations. The SICAV, the Central Administration or any duly mandated person, must require all subscribers to provide any documents and all information that it deems necessary for carrying out this identification.

In the event of delay or failure to provide the documents or information required, the application for subscription (or, as appropriate, for redemption, conversion or transfer) may be refused by the SICAV or by the Central Administration or by any duly mandated person. Neither the SICAV, nor the Central Administration, or any other mandated person may be held responsible (1) for refusal to accept an order, (2) for delay in the processing of an order or (3) for the decision to suspend payment in respect of an order accepted when the Investor has not provided the requested documents or information or has provided incomplete documents or information.

Shareholders may, moreover, be asked to provide additional or updated documents in compliance with the obligations for on-going control and monitoring in application of the applicable laws and regulations.

### **Restrictions on subscriptions and transfers of Shares**

The marketing of Shares of the SICAV may be restricted in some jurisdictions. Persons in possession of the Prospectus should obtain information from the Management Company on such restrictions and take steps to adhere thereto.

The Prospectus is not a public offering or a solicitation to sell Shares of the SICAV to persons in jurisdictions in which such a public offering of Shares of the SICAV is not authorised or where one may consider that such an offering is not authorised with respect to that person.

In addition, the SICAV has the right to:

- refuse at its sole discretion an order for subscription for Shares,
- process a forced redemption of Shares in accordance with the provisions in the Articles of Incorporation.

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**Restrictions on the subscription and transfer of Shares applicable to US Investors**

No compartment has been or will be registered in application of the *United States Securities Act of 1933* (“**Law of 1933**”) or of any law on transferable securities of any State or political subdivision of the United States of America or of its territories, possessions of other regions subject to the jurisdiction of the United States of America, such as the Commonwealth of Puerto Rico (“**United States**”), and the Shares of said compartments can only be offered, purchased or sold in compliance with the provisions of the Law of 1933 and of laws governing transferable securities of said States or others.

Certain restrictions also apply to any subsequent transfer from compartments in the United States to or on behalf of US persons (US Persons, as defined by *Regulation S of the Law of 1933*, hereinafter “**US Persons**”), i.e. to any resident of the United States, any legal entity, corporation or partnership or any other entity created or organised under the laws of the United States (including any asset of such a person created in the United States or organised in accordance with the laws of the United States). The SICAV is not and will not be registered under the *United States Investment Company Act of 1940*, as amended, in the United States.

Shareholders must immediately inform the SICAV if they are or become US Persons or if they hold classes of Shares for or on behalf of US Persons or else if they hold classes of Shares in violation of any laws or regulations or in circumstances that have or could have unfavourable regulatory or fiscal consequences for the compartment or its Shareholders, or against the best interests of the SICAV. If the board of directors of the SICAV discovers that a Shareholder (a) is a US Person or holds Shares on behalf of a US Person, (b) holds classes of Shares in violation of any laws or regulations or in circumstances that have or could have unfavourable regulatory or fiscal consequences for the SICAV or its Shareholders, or going against the best interests of the SICAV, the SICAV has the right to execute a forced redemption of the Shares concerned, in accordance with the provisions in the Articles of Incorporation.

If you have any slightest doubt about your status, please consult with your financial advisor or with any other professional advisor.

**Market Timing / Late Trading**

In accordance with applicable legal and regulatory provisions, the SICAV does not authorise practices associated with Market Timing and Late Trading. The SICAV reserves the right to reject any subscription and conversion order from an Investor that the SICAV suspects to be using such practices and to take, where appropriate, the whatever steps are necessary to protect the other Investors of the SICAV. Subscriptions, redemptions and conversions are executed at an unknown net asset value.

## **16. DEFINITION AND CALCULATION OF THE NET ASSET VALUE**

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The valuation of the net asset of each compartment of the SICAV and the determination of the net asset value (“**NAV**”) per Share is determined on the day (“**Valuation Day**”) indicated in the Fact Sheets of the compartment.

The NAV per Share, regardless of the compartment and the Share Class in which it is issued, is determined in the currency of the Share Class.

### **Swing Pricing**

Swing pricing allows the different Compartments of the SICAV to settle the transaction fees due to the subscriptions and redemptions made by entering and exiting Investors. With swing pricing, existing Investors should, in principle, no longer indirectly incur the transaction fees, which will now be directly integrated into calculation of the NAV and borne by the entering and exiting Investors. The swing pricing is applied on the capital activity at the level of the SICAV and does not address the specific circumstances of each individual Investor transaction.

The NAV will be adjusted only when a given threshold value is reached. The Board of Directors of the SICAV determines a threshold value as the trigger event for net subscriptions and redemptions. This threshold value is defined per Compartment and expressed as a percentage of the total net assets of the Compartment in question.

In swing pricing, the NAV is corrected with the net transaction fees on each NAV calculation where this threshold value is exceeded.

Direction of the swing depends on the net flow of capital applicable to a NAV. In the case of a net inflow, the swing factor linked to subscriptions of Shares in the Compartment will be added to the NAV. For net redemptions, the swing factor linked to redemptions of Shares in the Compartment in question will be deducted from the NAV. In both cases, all entering/exiting Investors on a given date will have the same NAV applied.

The swing factors with which the NAV is adjusted are calculated on the basis of external brokerage charges, taxes and duties and estimated variances between the buy and sell prices of the transactions that the Compartment carries out following Share subscriptions and redemptions.

The swing factor value will be determined by the Board of Directors of the SICAV and may vary from one Compartment to the next without, however, exceeding 2% of the unadjusted NAV.

Portfolio performance and statistics will be based on the unadjusted NAV.

## **17. TAXATION OF THE SICAV AND SHAREHOLDERS**

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*The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based on the Luxembourg law and regulations in effect and as interpreted by the Luxembourg tax authorities on the date of the Prospectus. These laws and interpretations are subject to change that may occur after such date, even with retroactive or retrospective effect.*

*Prospective purchasers of the Shares should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing of the Shares, including the application and effect of any federal, state or local taxes under the tax laws of the Grand Duchy of Luxembourg and each country of which they are residents or citizens.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi) as well as personal income tax (impôt sur le revenu des personnes physiques). Corporate taxpayers may further be subject to net wealth tax (impôt sur la fortune), as well as other duties, levies and taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and a solidarity surcharge. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

*The law of 25 March 2020 has implemented into domestic law Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (the “**DAC 6 Law**”). Under the DAC 6 Law, whose provisions are applicable since 1 July 2020, Luxembourg intermediaries and, in certain cases, taxpayers will have to report to the Luxembourg tax authorities within a certain timeframe certain information on cross-border arrangements the first step of which was implemented as from 25 June 2018 or which are made available for implementation or are ready for implementation as from 1 July 2020 and containing at least one of the hallmarks set out in the annex of the DAC 6 Law. The reported information will be automatically exchanged by the Luxembourg tax authorities to the competent authorities of all other EU Member States through a centralized database. As the case may be, the SICAV may take any action that it deems required, necessary, advisable, desirable or convenient to comply with the reporting obligations imposed on intermediaries and/or taxpayers pursuant to the DAC 6 Law. Late, incomplete or inaccurate reporting, or non-reporting shall be subject to a maximum fine of 250,000 euros.*

### **Taxation of the SICAV**

#### **Income tax**

Pursuant to the applicable legislation, the SICAV is not subject to any Luxembourg income tax.

#### **Subscription tax**

It is however subject to the 0.05% annual subscription tax (*taxe d'abonnement*) payable quarterly on the basis of the aggregate net assets of the SICAV valued on the last day of each quarter of the civil year.

This rate is however of 0.01% per annum for:

- undertakings whose sole object is the collective investment in money market instruments and in deposits with credit institutions;
- undertakings whose sole object of which is the collective investment in deposits with credit institutions; and



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- individual compartments of undertakings for collective investment (“UCIs”) with multiple compartments as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Are further exempt from the subscription tax:

- the value of the assets represented by shares or units held in other UCIs to the extent such shares or units have already been subject to the subscription tax provided for by Article 46 of the amended law of 23 July 2016, Article 174 of the Law of 2010 or Article 68 of the amended law of 13 February 2007 on specialised investment funds;
- UCIs as well as individual compartments of UCIs with multiple compartments funds (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institution, and (iii) whose weighted residual portfolio maturity does not exceed 90 days and (iv) that have obtained the highest possible rating from a recognised rating agency;
- Where several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;
- UCIs whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing funds they hold, to provide retirement benefits to their employees;
- UCIs as well as individual compartments of UCIs with multiple compartments whose invest for more than 50% in one or many microfinance institutions or which have been granted the Luxembourg Fund Labelling Agency (LuxFLAG) microfinance label;
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market, operating regularly, recognised and open to the public, and (ii) whose sole object is to replicate the performance of one or more indices;
- If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition sub-point (i).

#### **Withholding tax**

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the SICAV to its Shareholders under the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

#### **Value added tax**

The SICAV is considered in Luxembourg as a taxable person for value added tax (“VAT”) purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the SICAV could potentially trigger VAT and require the VAT registration of the SICAV in Luxembourg as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments made by the SICAV to its Shareholders, as such payments are linked to their subscription to the SICAV's Shares and do therefore not constitute the consideration received for taxable services supplied.

#### **Other taxes**

No stamp or other tax is generally payable at a proportional rate in Luxembourg in connection with the issue of Shares against cash by the SICAV. Any amendment to the Articles of Incorporation of the SICAV is generally subject to a fixed registration duty of 75 Euro.

The SICAV may be subject to withholding taxes on dividends and interest and to tax on capital gains in the country of origin of its investments. As the SICAV itself is exempt from income tax, withholding tax levied at source, if any, is not refundable in Luxembourg.

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**Taxation of the Shareholders**

**Tax residency**

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the shares or the execution, performance or enforcement of his/her rights thereunder.

**Resident Shareholders**

A Luxembourg resident Shareholder is not liable to any Luxembourg income tax on reimbursement of share capital previously contributed to the SICAV.

**Resident individuals**

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realised upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the shares are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of. A shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are taxed according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realised on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

**Resident companies**

A Luxembourg resident company (*société de capitaux*) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes.

**Resident shareholders benefiting from a special tax regime**

Shareholders who are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment governed by the Law of 2010, (ii) specialised investment funds governed by the amended law of 13 February 2007, (iii) family wealth management companies governed by the amended law of 11 May 2007 or (iv) a reserved alternative investment fund treated as a specialised investment fund for Luxembourg tax purposes governed by the amended law of 23 July 2016 is exempt from income tax in Luxembourg and profits derived from the Shares are thus not subject to Luxembourg income tax.

**Non-resident shareholders**

A non-resident, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is not liable to any Luxembourg income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares.

A non-resident company which has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax

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assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

It is expected that Shareholders in the SICAV will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each Shareholder of subscribing, converting (if any), holding, redeeming, transferring or otherwise acquiring or disposing of Shares in the SICAV. These consequences will vary in accordance with the law and practice currently in force in the Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Shareholders resident in or citizens of certain countries which have a tax legislation affecting foreign funds may have a current liability to tax on the undistributed income and gains of the SICAV.

#### **Net wealth tax**

Luxembourg resident as well as non-resident who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) an individual, (ii), an undertaking for collective investment subject to the Law of 2010, (iii), a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007, (vi) a professional pension institution governed by the amended law dated 13 July 2005, (vii) a family wealth management company governed by the amended law of 11 May 2007, or (viii) a reserved alternative investment fund governed by the amended law of 23 July 2016.

However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law dated 13 July 2005, and (iv) an opaque reserved alternative investment fund treated as a venture capital governed by the law of 23 July 2016 remain subject to minimum net wealth tax.

#### **Other taxes**

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Gift tax may be due on a gift or donation of the shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

#### **Common Reporting Standard**

Capitalised terms used in this section should have the meaning as set forth in the CRS Law

The SICAV may be subject to the CRS.

Under the terms of the CRS Law, the SICAV is likely to be treated as a Luxembourg Reporting Financial Institution.

As such, without prejudice to other applicable data protection provisions as set out in the SICAV's documentation, the SICAV will be required to annually report to the Luxembourg tax authorities (the "LTA") personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the "**Reportable Persons**") and (ii) Controlling Persons of passive non-financial entities ("**NFES**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons and may be disclosed to the LTA, which in turn may, acting as data controller, disclose it to foreign tax authorities.

The SICAV's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the SICAV will process the Information for the purposes as set out in the CRS Law. The Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the SICAV.

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Additionally, each Shareholder has a right to access the data communicated to the LTA and to correct such data (if necessary). Any data obtained by the SICAV are to be processed in accordance with the applicable data protection legislation.

The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the Shareholders undertake to inform the SICAV within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertake to immediately inform the SICAV of, and provide the SICAV with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Shareholder that fails to comply with the SICAV's Information or documentation requests may be held liable for penalties imposed on the SICAV and attributable to such Shareholder's failure to provide the Information and the SICAV may, in its sole discretion, redeem the Shares of such Shareholder.

The SICAV recommends that potential Investors seek information, and if necessary, advice about the laws and regulations on the subscription, purchase, holding, redemption, sale, conversion and transfer of Shares in their country of origin, residence or domicile.

## **18. FINANCIAL REPORTS**

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For each Financial Year, the SICAV publishes, on 31<sup>st</sup> December an annual financial report that is audited by the Independent Authorised Auditor and an unaudited half-year financial report on 30<sup>th</sup> June.

These financial reports include, *inter alia*, separate financial statements drawn up for each compartment. The consolidation currency is the US Dollar.

## **19. INFORMATION TO SHAREHOLDERS**

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The NAV, the issue price, the redemption and conversion price of each Share Class are available on each Bank Business Day in Luxembourg at the registered office of the SICAV.

Amendments to the SICAV's Articles of Incorporation will be published in the *Recueil Electronique des Sociétés et Associations* (RESA).

As of 14 January 2022, Shareholder notifications or other communications to Shareholders concerning their investment in the SICAV may be posted on the website [www.lvamfunds.com](http://www.lvamfunds.com) and where required by Luxembourg law or the CSSF, Shareholders will also be notified in writing or in such other manner as prescribed under Luxembourg law.

The following documents are made available to the public at the registered office of the SICAV and at the registered office of the Management Company:

- the Prospectus of the SICAV, including the Articles of Incorporation;
- the KID of the SICAV;
- the financial reports of the SICAV;
- a copy of the agreements contracted with the Management Company and Investment Manager of the SICAV are available free of charge at the SICAV's registered office.

## **20. INFORMATION TO SHAREHOLDERS IN GERMANY**

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Acting as Information Agent in Germany (the “Information Agent”) is:

Marcard, Stein & Co AG

Ballindamm 36

20095 Hamburg

Articles of Incorporation, Prospectus and Key Investor Information Documents, semi-annual and annual reports, subscription and redemption prices as well as the documents listed below will be available in electronic format and free of charge from the Information Agent:

- Depositary Agreement;
- Central Administration Agent Agreement;
- Investment Management Agreement;
- Investment Adviser Agreement.

No paying agent in Germany was appointed as the SICAV does not issue any printed individual certificates.

Subscription, redemption and conversion requests shall be made to the Registrar and Transfer Agent directly. Payments will be made in the currency of denomination of the Shares being redeemed by direct transfer to the bank account nominated by the Shareholder to the Registrar and Transfer Agent and at the Shareholder's risk and expense.

The subscription and redemption prices are published electronically on [www.fundsquare.com](http://www.fundsquare.com).

Notices will also be published in the Bundesanzeiger if such publication is prescribed by law, such as in the case of a merger, switch or suspension of the redemption of Shares, and any contractual changes with an impact on Shareholders' rights.

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**Fact sheets of the compartments**



## **LARRAINVIAL ASSET MANAGEMENT SICAV – SMALL & MID CAP LATIN AMERICAN EQUITY FUND**

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### **INVESTMENT POLICY**

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**Compartment objective** > The Investment Objective is to provide Investors with an alternative for medium-term capital appreciation by investing in Small and Mid-Cap Latin American Equity securities diversified both by geography and economic sector.

**Investment policy** > The Compartment will maintain a minimum of 70% of the assets in equity and equity linked securities of companies that are incorporated in Latin America or conduct the main part of their economic activity within Latin America.

The exposure of the Compartment will be manifested by holding instruments such as stocks, depository receipts, ETF, UCITS and other UCIs, convertible securities, equity linked notes and derivatives. The Compartment may use financial derivative instruments for hedging purposes only as further described in section 7.10 “Restrictions on financial derivative instruments and instruments and techniques of efficient portfolio management” and section 7.12 “Currency Transactions”. Fixed income may be held in the portfolio on a short term basis. For treasury purposes and/or in order to achieve its investment goals, the Compartment may hold bank deposits, money market instruments and/or money market funds that meet the criteria of article 41(1) of the Law of 2010.

On an ancillary basis, the Compartment may hold up to 20% of its NAV in Ancillary Liquid Assets. Such limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders.

The acquisition of warrants and other rights attached to the financial instruments here above mentioned in the first and second paragraphs is authorized.

Loans and short-selling are not allowed.

The Compartment is adopting ESG measures described under section 8 “Sustainability Related Disclosures”.

**The Compartment promotes E and S characteristics pursuant to article 8 SFDR as further detailed in Annex 1 to which the Compartment fully adheres.**

In the context of the Taxonomy Regulation, in view of its ESG strategy, the Compartment promotes environmental and social characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation. As a consequence thereof, the “do no significant harm” principle does not apply to the investments underlying the Compartment.

For further details please refer to the Annex 1.

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The Compartment is actively managed and some of the Share Classes may use the Benchmark (as defined below) reference for the purposes of computing the performance fee. The Investment Manager has complete discretion over the composition of its portfolio subject to the compartment objective and investment policy.

**Reference Currency** > USD

**Investment horizon** > At least 3-5 years

**Risk management method** > Commitment approach (no leverage)

**Sustainability Risks Likely Impact on Compartment's Return** > Latin America, as other Emerging Markets could be exposed to more Sustainability Risks than others. For instance, governance risks are usually more pronounced in Latin America, materialising from a lack of maturity of corporate tenure. Increased risks of political, economic and social instability and adverse changes in government regulations and laws are to be expected in Latin American markets. Additionally, companies located in Latin America are often less transparent and deliver less robust disclosures resulting in a more challenging task for Investment Managers and external providers to assess the exposure to and materiality of eventual Sustainability Risks. High levels of deforestation that can have an adverse impacts on biodiversity and on climate change mitigation objectives can result in increased scrutiny by NGOs and customers, which brings reputational risks to investments in these markets and to the Investment Manager but could also have an impact on the portfolio companies' sales revenues or additional capital expenditures resulting from strengthened environmental regulation. Finally, environmental risks linked to climate change and natural disasters such as droughts or wildfires can significantly destabilize crucial industry sectors such as agriculture, farming or tourism and ultimately affect the return of the Compartment.

**Risk factors** > Investors are invited to read section 9 "Risks Associated with Investing in the SICAV" in this Prospectus for information on the potential risks linked to an investment in this compartment.

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**MANAGER AND/OR INVESTMENT ADVISOR**

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**Investment Manager** > The Investment Manager and promoter of the SICAV is a regulated Chilean fund manager called "LarrainVial Asset Management Administradora General de Fondos S.A.". It is part of the Larrain Vial Group "Larrain Vial S.A.", one of the oldest financial corporations of Chile, founded in 1934. The fund manager "LarrainVial Asset Management Administradora General de Fondos S.A." began its activities in 2001 and as of December 31, 2020 manages 60- Chilean registered mutual and investments funds and around United States Dollar (USD) 6,300 MM of Assets. The Investment Manager is regulated by Chilean supervisory authorities, including the Comisión para el Mercado Financiero (CMF), member of IOSCO.

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**COMMISSIONS AND FEES PAID BY THE SHAREHOLDERS**

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<b>Subscription fee</b>	> Up to 5.00% of the subscription amount
<b>Redemption fee</b>	> None
<b>Conversion fee</b>	> None
<b>Swing Pricing</b>	> Not applicable

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**EXPENSES BORNE BY THE COMPARTMENT**

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<b>Investment Management Fee</b>	<p>&gt; <b>For Share Class A and Share Class EA:</b></p> <p>Up to 2.00% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p><b>For Share Class F and Share Class EF:</b></p> <p>Up to 1.60% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p><b>For Share Class I and Share Class EI:</b></p> <p>Up to 1.00% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p>Share Class I and Share Class EI are exclusively dedicated to Institutional Investors These are capitalization Shares.</p> <p><b>For Share Class L: 0%</b></p> <p><b>For Share Class X, Share Class XD, Share Class EX and Share Class UX:</b></p> <p>Up to 0.8% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p>Share Class X, Share Class XD, Share Class EX and Share Class UX are exclusively dedicated to Institutional Investors.</p>
<b>Performance Fee</b>	<p>&gt; <b>Applicable only to Share Class A and Share Class EA</b></p> <p>The Investment Manager will receive a performance fee, payable on an annual basis, and representing 10% of the annual increase of the net asset value per Share above the annual performance of the MSCI EM LATIN AMERICA SMALL CAP (hereinafter the “<b>Benchmark</b>”) during the Financial Year. The Investment Manager will receive this performance fee only if there are no under-performances in the previous five calendar years (the “<b>Performance Period</b>”) (or since the current investment policy has been adopted if this is less than five years) that have not been compensated by over-performances.</p> <p>Thus when the performance of the compartment is above the performance of the Benchmark, taking into account the Performance Period (or the date of the adoption of the current</p>

investment policy), an accrual of 10% of the over-performance will be accounted for each net asset value per Share.

No performance fee will be payable if the absolute performance of the compartment is negative.

The performance fee will be calculated and accrued at each Valuation Day on the basis of the NAV after deducting all fees and expenses, including the Management Company fee but before deduction of performance fee and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the performance fee. In case of negative performance against the Benchmark on any given Valuation Day, the accrued performance fee will be reduced in proportion to the negative performance.

In any case, the performance fee will be limited to no more than 1% per year of the average net assets of the relevant Share Classes.

The performance fee is crystallized in full at the SICAV's Financial Year end subject to outperforming the Performance returns since the last crystallization date.

The performance fee is payable within the month following the end of each Financial Year.

In addition, (i) if an Investor redeems or switches all or part of their Shares before the end of a Performance Period or (ii) in case of liquidation of the Company, of liquidation of the Compartment or of a Share Class or of merger of the Compartment, any accrued performance fee with respect to such Shares will crystallise on the Valuation Day of respectively the redemption or conversion, the liquidation of the Company, the liquidation of the Compartment or of a Share Class or of the merger of the Compartment and will then become payable to the Investment Manager. However, in case of merger of the Compartment into a newly established compartment with no performance history and whose investment policy is not substantially different from that of the Compartment, any performance fee shall not be crystallise and the performance reference period of the Compartment should continue applying in the newly established compartment.

The performance scenarios of the Compartment against the benchmark is displayed in the relevant KID.

The calculation examples are set out in the Appendix "Performance Fee Examples".

The Fund has adopted a written plan setting out actions, which it will take with respect to the compartment in the event that the MSCI EM Latin America Small CAP materially changes or ceases to be provided (the "**Contingency Plan**"), as required by article 28(2) of the Benchmarks Regulation. Shareholders may access the Contingency Plan, free of charge, via the following website: [www.lvamfunds.com](http://www.lvamfunds.com) and upon request at the registered office of the Management Company.

The MSCI EM Latin America Small CAP is provided by a benchmark administrator, MSCI Deutschland GmbH (the "**Administrator**"), that is listed in the register of administrators and benchmark indices held by ESMA and authorised pursuant to article 34 of the Benchmarks Regulation (the "**ESMA Register**"). The Administrator will make information on its indices available to the public on its website, <https://www.msci.com/indexes>.

**LARRAINVIAL ASSET MANAGEMENT SICAV**  
**SICAV with multiple compartments incorporated under Luxemburg law**

<b>Depository fee (excluding transaction fees)</b>	>	Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, with a maximum of 0.65% p.a. of the average net asset value of the different compartments of the SICAV.
<b>Management Company fee</b>	>	Up to 0.35% p.a. of the average net assets of the compartment with a minimum of up to EUR 50'000 per annum per compartment.
<b>Central Administration fee</b>	>	Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, with a maximum of 1.0 % p.a. of the average net asset value of the different compartments of the SICAV.
<b>Other fees and expenses</b>	>	In addition, the compartment will charge other operating fees as referred to in Article 31 of the Articles of Incorporation.

**MARKETING OF SHARES**

<b>Classes of Shares offered for subscription</b>	>	Class of Shares	Currency	Accumulation /Distribution	ISIN	Telekurs	CUSIP
		A	USD	Accumulation	LU0648313723	13296379	L5943S 500
		EA	EUR	Accumulation	LU0648313996	13296380	
		F	USD	Accumulation	LU0648314028	13296381	L5943S 484
		EF	EUR	Accumulation	LU0648314291	13296382	
		I	USD	Accumulation	LU0648314374	13296387	L5943S 468
		EI	EUR	Accumulation	LU0648314457	13296388	
		L	USD	Accumulation	LU1153301442	26298680	L5943S 716
		X	USD	Accumulation	LU2751662193	132282070	L59447 836
		XD	USD	Distribution	LU2751662276	132282084	L59447 828
		EX	EUR	Accumulation	LU2751662359	132282088	L59447 810
		UX	USD	Accumulation	LU2751662433	132282089	L59447 794

**Form of Shares** > Shares are issued or as registered Shares in the name of the Investor in the register of Shareholders.

Shares may be issued in fractions up to the ten-thousandth of a Share.

<b>Minimum initial investment</b>	>	Class of Shares	Currency	Minimum initial investment
		A	USD	5'000
		EA	EUR	5'000
		F	USD	300'000
		EF	EUR	300'000
		I	USD	1'000'000
		EI	EUR	1'000'000
		L	USD	1'000

**LARRAINVIAL ASSET MANAGEMENT SICAV**  
**SICAV with multiple compartments incorporated under Luxembourg law**

X	USD	20'000'000
XD	USD	20'000'000
EX	EUR	20'000'000
UX	USD	20'000'000

The board of directors of the SICAV may, at its sole discretion, decide, for all subscription orders received for a particular Valuation Day, to accept these subscription requests without applying the minimum subscription amount.

**Subscriptions, redemptions and conversions**

> Subscription, redemption and conversion orders received by the Central Administration before 3.00pm on a Bank Business Day in Luxembourg are calculated on the basis of the net asset value on the same Valuation Day applying the charges set out above. Subscriptions and redemptions must be paid up no later than three (3) Bank Business Days in Luxembourg following the Valuation Day and conversions must be implemented no later than three (3) Bank Business Days in Luxembourg following the Valuation Day. The SICAV reserves the right to extend the period of payment of redemption proceeds up to eight business days following the Valuation Day, such extension taking into account the Shareholders' interest, as shall be necessary to repatriate proceeds of the sale of investments in the event of constraints in the markets in which a substantial part of the assets of the Compartment are invested or in exceptional circumstances where the liquidity of a Compartment is not sufficient to meet the redemption requests. The SICAV may set the payment deadline within this timeframe in accordance with market practice.

The Shares are issued or cancelled on the Bank Business Day in Luxembourg following the applicable Valuation Day.

**Valuation Day**

> Each full Bank Business Day in Luxembourg.

**Publication of NAV**

> Registered office of the SICAV

**Listing on Luxembourg Stock Exchange**

> No

**POINTS OF CONTACT**

**Subscriptions, redemptions, conversions and transfers**

> J.P. MORGAN SE, LUXEMBOURG BRANCH  
Tel: 00352 462685633  
Fax: +352 46268 5432

**Documentation requests**

> LARRAINVIAL ASSET MANAGEMENT ADMINISTRADORA  
GENERAL DE FONDOS S.A.

Avenida Isidora Goyenechea 2800, Piso 15, Las Condes  
Santiago, Chile  
Tel: (+56) (2) 2339 8647

**ANNEX 1**

**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:** Larraivial Asset Management Sicav - Small & Mid Cap Latin American Equity Fund  
**Legal entity identifier:** 549300NSP82R7GF7C179

**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.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ Yes ☐ No

- |  |   |
|--|---|
| <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> %</p> | <p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It <b>promotes E/S characteristics, but will not make any sustainable investments</b></p> |
|--|---|



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

The investment process of this Compartment promotes ESG characteristics by including ESG considerations in securities analysis and portfolio construction following the Investment Manager's Responsible Investment Policy. For all new investments, the Compartment will be conducting enhanced due diligence with respect to ESG characteristics, seeking to encourage issuers to promote such ESG characteristics as further detailed below.



The Compartment hereby adheres to the binding elements listed in the current section.

The Compartment promotes the following E characteristics:

**I. Energy & Carbon:**

1. by assessing the scope 1 and 2 carbon emissions and the fossil fuel use and management of negative externalities;
2. by promoting the use of external audits or certification processes to provide independent assurance of the issuer's internal processes with respect to scope 1 and 2 carbon emissions and fossil fuel use, to signal commitment with environmental best standards in this respect, and/or to signal a strategy to capture market trends opportunities and expectations in this area; and
3. by reviewing the commitment of the companies to prevent environmental damaging events and in the case of past events the measures taken to repair the damage and avoid another event.

**II. Water use and consumption:**

1. by assessing the water consumption and use and management of negative externalities;
2. by promoting the use of external audits or certification processes to provide independent assurance of the issuer's internal processes with respect to water consumption, to signal commitment with environmental best standards in this respect, and/or to signal a strategy to capture market trends opportunities and expectations in this area; and
3. by reviewing the commitment of the companies to prevent environmental damaging events and in the case of past events the measures taken to repair the damage and avoid another event.

On the social side, the Compartment promotes:

- I. Respect of the UN Global Compact principles
- II. Respect of Human Rights Norms
- III. Respect of Labour Norms

The Investment Manager has put in place the ESG Scoring Process based on its own proprietary analysis (including proprietary questionnaire covering ESG questions to measure sustainability indicators and the specific risks that an investee company could address) of the E/S criteria as well as the MSCI analysis and reports. An ESG score is determined for each issuer based on their historical and current performance.

In addition to the active promotion of E/S characteristics, the Investment Manager has put in place Exclusion Criteria that will include some or all of the following items:

**I. Energy & Carbon:**

- Coal fired power generation: 30% exclusion threshold (% of the energy mix);
- Thermal coal mining: 30% exclusion threshold (% of the energy mix).

**II. Respect of UN Global Compact principles/Respect of Human Rights Norms/Respect of Labor Norms:**

- Military Armament - Controversial weapons;
- Tobacco;



**Sustainability indicators**

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

- Spirits;
- Civilian firearms;
- Adult entertainment;
- Gambling.

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

All potential investments go through the ESG Scoring Process and the ESG due diligence questionnaire in order to measure the issuer's attainment of environmental and social characteristics promoted by the Compartment while ensuring that the issuer follows good governance practices. Both individual assets or a portfolio of assets can be assessed through this process depending on the potential investment and its structure.

In particular, the following indicators are assessed through the questionnaire and the ESG Scoring Process:

**ENVIRONMENTAL INDICATORS**

**I. Energy & Carbon:**

**Weighted Average Carbon Intensity:** The Weighted Average Carbon Intensity measures the compartment's exposure to carbon intensive companies. The figure is the sum of security weight (normalized for corporate positions only) multiplied by the security Carbon Intensity. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue. The result is categorized as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and VeryHigh (>=525).

**Fossil Fuel Reserves (%):** The percentage of portfolio's market value exposed to companies that own fossil fuel reserves.

**High Impact Fossil Fuel Reserves (%):** The percentage of portfolio's market value exposed to companies that own high impact fossil fuel reserves. High impact fossil fuel reserves include Thermal Coal, Oil Sands, and Shale Oil and Shale Gas.

**II. Water use and consumption:**

**Exposure to High Water Intensity Activities (%):** The percentage of portfolio's market value exposed to companies with operations in lines of business that are typically highly water intensive.

**Exposure to High Water Risk (%):** The percentage of portfolio's market value exposed to companies with a Water Stress Exposure Score > 6.6. Scores combine the geographic and business segment components and range from 0 to 10.

**SOCIAL INDICATORS**

**I. Respect of UN Global Compact principles:**

**Global Compact Compliance Violation (%):** The percentage of portfolio's market value exposed to companies in violation of the UN Global Compact principles.

**Global Compact Compliance Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in

violation of the UN Global Compact principles, or on MSCI's "Watch List" for potential violations.

## **II. Respect of Human Rights Norms:**

**Human Rights Norms Violation (%):** The percentage of portfolio's market value exposed to companies in violation of international norms around human rights.

**Human Rights Norms Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in violation of international norms around human rights, or on MSCI's "Watch List" for potential violations.

## **III. Respect of Labor Norms:**

**Labor Norms Violation (%):** The percentage of portfolio's market value exposed to companies in violation of the International Labour Organization's broader set of labor standards.

**Labor Norms Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in violation of the International Labour Organization's broader set of labor standards, or on MSCI's "Watch List" for potential violations.

\*\*\*

By applying these indicators, an overall ESG Score is determined. The ESG score of the Compartment results from the weighted average of the ESG scores of each company in the portfolio. The ESG score of each company is based on MSCI's methodology, which assesses the availability and quality of a set of the sustainability indicators listed above for each company and weights them based on the industry it operates according to a materiality analysis for each sector.

**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.

**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?**

N/A

**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?*

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



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

☐

Yes, \_\_\_\_\_

☒ No



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

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

The Compartment will maintain a minimum of 70% of the assets in equity and equity linked securities of companies that are incorporated in Latin America or conduct the main part of their economic activity within Latin America.

The exposure of the Compartment will be manifested by holding instruments such as stocks, depository receipts, ETF, UCITS and other UCIs, convertible securities, equity linked notes and derivatives.

The Compartment may use financial derivative instruments for hedging purposes only. Cash equivalents and fixed income may be held in the portfolio on a short term basis.

The acquisition of warrants and other rights attached to the financial instruments here above mentioned in the first and second paragraphs is authorized.

Loans and short-selling are not allowed.

The Compartment follows mainly a bottom up fundamental approach to due diligence, operations and exists.

At due diligence, the Investment Manager applies with respect to the Compartment the following Exclusion Criteria:

#### **I. Energy & Carbon:**

- Coal fired power generation: 30% exclusion threshold (% of the energy mix);
- Thermal coal mining: 30% exclusion threshold (% of the energy mix).

#### **II. Respect of UN Global Compact principles/Respect of Human Rights Norms/Respect of Labor Norms:**

- Military Armament - Controversial weapons;
- Tobacco;
- Spirits;
- Civilian firearms;
- Adult entertainment;
- Gambling.

In addition, at due diligence, the Investment Manager shall use the proprietary questionnaire that is fed both through an external ESG Data provider and the Investment Manager's sectorial analysis. The questionnaires are standardized and consider a materiality assessment that alters the weight for each sector, resulting in relatively comparable scores. An ESG Score based on the MSCI data and the proprietary data and analysis is granted to each investment before the Investment Manager decides to pursue or not an investment opportunity.

On a continuous basis (and at least annually), the Compartment will assess the compliance of the investment with the ESG score and report the evolution and any change thereof in the annual report against such score. The Investment Manager shall actively engage with the underlying issuers in maintaining and improving the ESG score by ensuring promotion of the E/S characteristics identified as being relevant to such issuer. The non-compliance by the issuer with the requirements imposed to it, the loss of the ESG Score and the non-attainment of the ESG objectives will lead to the divestment of the Compartment from such issuer.

● ***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?***

In the selection of the investments, the Investment Manager shall first apply the Exclusion Criteria. After these exclusions being applied, the Investment Manager shall apply to the retained investments – for each E/S characteristics that is being promoted - the ESG questionnaire as well as the ESG Scoring Process based on MSCI data and proprietary data and analysis. An ESG score shall be determined for each issuer based on their historical and current performance. Only investments satisfying the minimum score determined by the Investment Manager (based on MSCI and proprietary data and analysis) for the specific activity and region shall be retained. Also, the investment Manager undertakes to actively engage with the underlying issuer in order to maintain and improve the ESG score.

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

N/A

**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 ESG questionnaire used by the Compartment includes a section where questions on good governance are included and these scores impact the scoring for assessment of whether or not to proceed with making an investment in the issuer. The questionnaire covers the following good governance practices:

- I. Board Flag (%)
- II. Board independence (%)
- III. No Female Directors (%)
- IV. Female Rep. 30% of Directors (%)
- V. Accounting Flag (%)
- VI. Pay Flag (%)
- VII. Ownership & Control Flag (%)

The ESG scoring will take into account these percentages as follows:  
**Board Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of board structure and effectiveness.

**Lack of Independent Board Majority (%):** The percentage of portfolio's market value exposed to companies lacking an independent board majority.

**No Female Directors (%):** The percentage of portfolio's market value exposed to companies with no female directors.

**Female Represent 30% of Directors (%):** The percentage of portfolio's market value exposed to companies where women comprise at least 30% of the board of directors

**Ownership and Control Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative

to global peers on MSCI's assessment of ownership structure and risks.

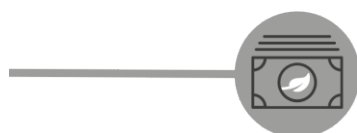
**Pay Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of executive pay practices.

**No Pay Performance Link (%):** The percentage of portfolio's market value exposed to companies flagged for executive pay /performance gaps.

**Lack of Internal Pay Equity (%):** The percentage of portfolio's market value exposed to companies facing a lack of internal pay equity.

**Executive Pay Non-Disclosure (%):** The percentage of portfolio's market value exposed to companies flagged for executive pay non-disclosure.

**Accounting Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of accounting aggressiveness.



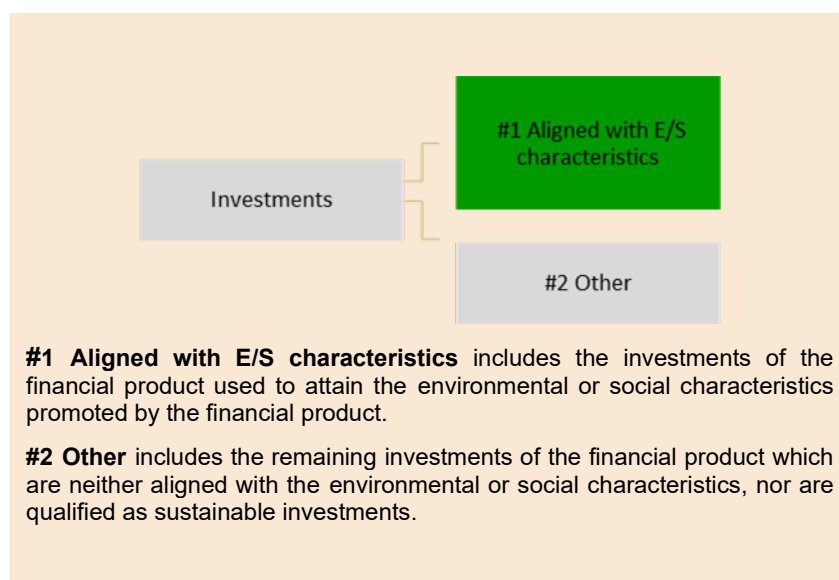
**Asset allocation**  
describes the share of  
investments in specific  
assets.

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

The Compartment will maintain a minimum of 70% of the assets in equity and equity linked securities of companies that are incorporated in Latin America or conduct the main part of their economic activity within Latin America. The exposure of the Compartment will be manifested mainly by holding instruments such as stocks, depository receipts, ETF, UCITS and other UCIs, convertible securities, equity linked notes and derivatives.

Based on the investment strategy, the Compartment seeks a minimum of 98.5% exposure to investments that are aligned with the E and S characteristics described therein.

--> 98.5% #1 Aligned with E/S characteristics, 1.5% in #2 Other (average Cash amount for liquidity purposes and that does not consider E/S safeguards)



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

The Compartment does not currently use derivatives in order to attain the environmental or social characteristics that it promotes. .



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

N/A

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

☐

Yes:

☐

In fossil gas

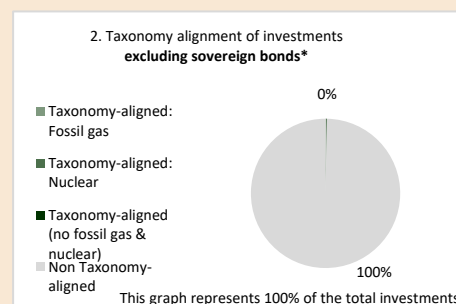
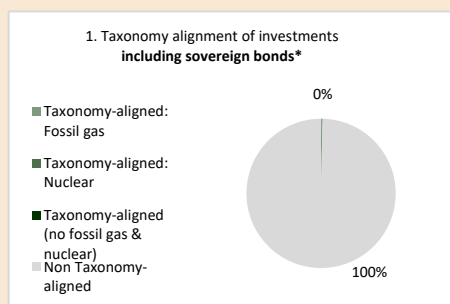
☐

In nuclear energy

☒

No

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



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



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

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

N/A



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

N/A



What is the minimum share of socially sustainable investments?

N/A

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



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

We only consider cash to be allocated under #2 Other. Cash amounts for 0.5%-1.5% of the portfolio on average, it has liquidity purposes and does not consider E/S safeguards.



**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? N/A**

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

- *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



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

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

Product specific information in accordance with Article 10 of SFDR and in alignment with Section 1 of the Commission Delegated Regulation (EU) 2022/1288 ((a) ‘Summary’; (b) ‘No sustainable investment objective’; (c) ‘Environmental or social characteristics of the financial product’; (d) ‘Investment strategy’; (e) ‘Proportion of investments’; (f) ‘Monitoring of environmental or social characteristics’; (g) ‘Methodologies’; (h) ‘Data sources and processing’; (i) ‘Limitations to methodologies and data’; (j) ‘Due diligence’; (k) ‘Engagement policies’; (l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, ‘Designated reference benchmark’) are shared via the Investor Portal.

Further information can be found here:

[https://www.lvamfunds.com/responsible\\_investment.html](https://www.lvamfunds.com/responsible_investment.html)

<https://www.lvamfunds.com/funds.html>



## **LARRAINVIAL ASSET MANAGEMENT SICAV – LATIN AMERICAN EQUITY FUND**

### **INVESTMENT POLICY**

**Compartment objective** > The Investment Objective is to provide Investors with an alternative for medium-term capital appreciation by investing in Latin American equity securities diversified both by geography and economic sector.

**Investment policy** > The Compartment will maintain a minimum of 70% of the assets in equity and equity linked securities of companies that are incorporated in Latin America or conduct the main part of their economic activity within the region.

The exposure of the Compartment will be manifested by holding instruments such as stocks, depository receipts, convertible securities, equity linked notes and derivatives. The Compartment may use financial derivative instruments for hedging purposes only as further described in section 7.10 “Restrictions on financial derivative instruments and instruments and techniques of efficient portfolio management” and section 7.12 “Currency Transactions”.

Fixed income may be held in the portfolio on a short term basis. For treasury purposes and/or in order to achieve its investment goals, the Compartment may hold bank deposits, money market instruments and/or money market funds that meet the criteria of article 41(1) of the Law of 2010.

On an ancillary basis, the Compartment may hold up to 20% of its NAV in Ancillary Liquid Assets. Such limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders.

The acquisition of warrants and other rights attached to the financial instruments here above mentioned in the previous paragraph is authorized.

Loans and short-selling are not allowed. The first five holdings should not represent more than 40% of the portfolio.

The Compartment is adopting ESG measures described under section 8 “Sustainability Related Disclosures”.

**The Compartment promotes E and S characteristics pursuant to article 8 SFDR as further detailed in Annex 2 to which the Compartment fully adheres.**

In the context of the Taxonomy Regulation, in view of its ESG strategy, the Compartment promotes environmental and social characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation. As a consequence thereof, the “do no significant harm” principle does not apply to the investments underlying the Compartment.

For further details please refer to the Annex 2.

The Compartment is actively managed and some of the Share Classes may use the Benchmark (as defined below) reference for the purposes of computing the performance fee. The Investment Manager has complete discretion over the composition of its portfolio subject to the compartment objective and investment policy.

**Reference Currency** > USD

**Investment horizon** > At least 3 years



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**SICAV with multiple compartments incorporated under Luxembourg law**

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<b>Risk management method</b>	> Commitment approach (no leverage)
<b>Sustainability Risks Likely Impact on Compartment's Return</b>	> Latin America, as other Emerging Markets could be exposed to more Sustainability Risks than others. For instance, governance risks are usually more pronounced in Latin America, materialising from a lack of maturity of corporate tenure. Increased risks of political, economic and social instability and adverse changes in government regulations and laws are to be expected in Latin American markets. Additionally, companies located in Latin America are often less transparent and deliver less robust disclosures resulting in a more challenging task for Investment Managers and external providers to assess the exposure to and materiality of eventual Sustainability Risks. High levels of deforestation that can have an adverse impacts on biodiversity and on climate change mitigation objectives can result in increased scrutiny by NGOs and customers, which brings reputational risks to investments in these markets and to the Investment Manager but could also have an impact on the portfolio companies' sales revenues or additional capital expenditures resulting from strengthened environmental regulation. Finally, environmental risks linked to climate change and natural disasters such as droughts or wildfires can significantly destabilize crucial industry sectors such as agriculture, farming or tourism and ultimately affect the return of the Compartment.
<b>Risk factors</b>	> Investors are invited to read section 9 "Risks Associated with Investing in the SICAV" in this Prospectus for information on the potential risks linked to an investment in this compartment.

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**MANAGER AND/OR INVESTMENT ADVISOR**

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<b>Investment Manager</b>	> The Investment Manager and promoter of the SICAV is a regulated Chilean fund manager called "LarrainVial Asset Management Administradora General de Fondos S.A.". It is part of the Larrain Vial Group "Larrain Vial S.A.", one of the oldest financial corporations of Chile, founded in 1934. The fund manager "LarrainVial Asset Management Administradora General de Fondos S.A." began its activities in 2001 and as of December 31, 2020 manages 60-Chilean registered mutual and investments funds and around United States Dollar (USD) 6,300 MM of Assets. The Investment Manager is regulated by Chilean supervisory authorities, including the Comisión para el Mercado Financiero (CMF), member of IOSCO.
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**COMMISSIONS AND FEES PAID BY THE SHAREHOLDERS**

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<b>Subscription fee</b>	> Up to 5.00% of the subscription amount
<b>Redemption fee</b>	> None
<b>Conversion fee</b>	> None
<b>Swing Pricing</b>	> Not applicable

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**EXPENSES BORNE BY THE COMPARTMENT**

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<b>Investment Management Fee</b>	> <b>For Share Class A and Share Class EA:</b> Up to 2.00% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.  <b>For Share Class F and Share Class EF:</b>
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Up to 1.60% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.

**For Share Class I and Share Class EI:**

Up to 1.00% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.

Share Class I and Share Class EI are exclusively dedicated to Institutional Investors. These are capitalization Shares.

**For Share Class L: 0%**

**For Share Class X, Share Class XD, Share Class EX and Share Class UX:**

Up to 0.8% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.

Share Class X, Share Class XD, Share Class EX and Share Class UX are exclusively dedicated to Institutional Investors.

**Performance Fee**

**> Applicable only to Share Class A and Share Class EA**

The Investment Manager will receive a performance fee, payable on an annual basis, and representing 10% of the annual increase of the net asset value per Share above the annual performance of the MSCI EM 10/40 LATIN AMERICA (hereinafter the "**Benchmark**") during the Financial Year. The Investment Manager will receive this performance fee only if there are no under-performances in the previous five calendar years (the "**Performance Period**") (or since the current investment policy has been adopted if this is less than five years) that have not been compensated by over-performances.

Thus when the performance of the compartment is above the performance of the Benchmark, taking into account the Performance Period (or the date of the adoption of the current investment policy), an accrual of 10% of the over-performance will be accounted for each net asset value per Share.

No performance fee will be payable if the absolute performance of the compartment is negative.

The performance fee will be calculated and accrued at each Valuation Day on the basis of the NAV after deducting all fees and expenses, including the Management Company fee but before deduction of performance fee and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the performance fee. In case of negative performance against the Benchmark on any given Valuation Day, the accrued performance fee will be reduced in proportion to the negative performance.

In any case, the performance fee will be limited to no more than 1% per year of the average net assets of the relevant Share Classes.

The performance fee is crystallized in full at the SICAV's Financial Year end subject to outperforming the Performance returns since the last crystallization date.

The performance fee is payable within the month following the end of each Financial Year.

In addition, (i) if an Investor redeems or switches all or part of their Shares before the end of a Performance Period or (ii) in case of liquidation of the Company, of liquidation of the Compartment or of a Share Class or of merger of the Compartment, any accrued performance fee with respect to such Shares will crystallise on the Valuation Day of respectively the redemption or conversion, the liquidation of the Company, the liquidation of the Compartment or of a Share Class or of the merger of the Compartment and will then become payable to the Investment Manager. However, in case of merger of the Compartment into a newly established compartment with no performance history and whose investment policy is not substantially different from that of the Compartment, any performance fee shall not be crystallise and the performance reference period of the Compartment should continue applying in the newly established compartment.

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The performance scenarios of the Compartment against the benchmark is displayed in the relevant KID.

The calculation examples are set out in the Appendix "Performance Fee Examples".

The Fund has adopted a written plan setting out actions, which it will take with respect to the compartment in the event that the MSCI EM 10/40 Latin America materially changes or ceases to be provided (the "**Contingency Plan**"), as required by article 28(2) of the of the Benchmarks Regulation. Shareholders may access the Contingency Plan, free of charge, via the following website: [www.lvamfunds.com](http://www.lvamfunds.com) and upon request at the registered office of the Management Company.

The MSCI 10/40 Latin America is provided by a benchmark administrator, MSCI Deutschland GmbH (the "**Administrator**") that is listed in the register of administrators and benchmark indices held by ESMA and authorised pursuant to article 34 of the Benchmarks Regulation (the "**ESMA Register**"). The Administrator will make information on its indices available to the public on its website, <https://www.msci.com/indexes>.

- |  |   |
|--|---|
| <b>Depository fee (excluding transaction fees)</b> | > Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, with a maximum of 0.65% p.a. of the average net asset value of the different compartments of the SICAV. |
| <b>Management Company fee</b>                      | > Up to 0.35% p.a. of the average net assets of the compartment with a minimum of up to EUR 50'000 per annum per compartment.   |
| <b>Central Administration fee</b>                  | > Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, with a maximum of 1.0 % p.a. of the average net asset value of the different compartments of the SICAV. |
| <b>Other fees and expenses</b>                     | > In addition, the compartment will charge other operating fees as referred to in Article 31 of the Articles of Incorporation.  |

## MARKETING OF SHARES

Classes of Shares offered for subscription	>	Class of Shares	Currency	Accumulation/ Distribution	ISIN	Telekurs	CUSIP
		A	USD	Accumulation	LU0939495528	21471745	L5943S 526
		EA	EUR	Accumulation	LU0939495791	21471746	
		F	USD	Accumulation	LU0939495957	21471747	L5943S 542
		EF	EUR	Accumulation	LU0939496096	21471748	
		I	USD	Accumulation	LU0939496179	21472192	L5943S 567
		EI	EUR	Accumulation	LU0939496252	21472193	
		L	USD	Accumulation	LU1153301525	26298702	L5943S 724
		X	USD	Accumulation	LU2751662516	132282444	L59447 786
		XD	USD	Distribution	LU2751660494	132282443	L59447 778
		EX	EUR	Accumulation	LU2751660577	132283693	L59447 760
		UX	USD	Accumulation	LU2751660650	132283696	L59447 752

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**Form of Shares** > Shares are issued as registered Shares in the name of the Investor in the register of Shareholders.

Shares may be issued in fractions up to the ten-thousandth of a Share.

<b>Minimum initial investment</b>	>	Class of Shares	Currency	Minimum initial investment
		A	USD	5'000
		EA	EUR	5'000
		F	USD	300'000
		EF	EUR	300'000
		I	USD	1'000'000
		EI	EUR	1'000'000
		L	USD	1'000
		X	USD	20'000'000
		XD	USD	20'000'000
		EX	EUR	20'000'000
		UX	USD	20'000'000

The board of directors of the SICAV may, at its sole discretion, decide, for all subscription orders received for a particular Valuation Day, to accept these subscription requests without applying the minimum subscription amount.

**Subscriptions, redemptions and conversions** > Subscription, redemption and conversion orders received by the Central Administration before 3.00pm on a Bank Business Day in Luxembourg are calculated on the basis of the net asset value on the same Valuation Day applying the charges set out above. Subscriptions and redemptions must be paid up no later than three (3) Bank Business Days in Luxembourg following the Valuation Day and conversions must be implemented no later than three (3) Bank Business Days in Luxembourg following the Valuation Day. The SICAV reserves the right to extend the period of payment of redemption proceeds up to eight business days following the Valuation Day, such extension taking into account the Shareholders' interest, as shall be necessary to repatriate proceeds of the sale of investments in the event of constraints in the markets in which a substantial part of the assets of the Compartment are invested or in exceptional circumstances where the liquidity of a Compartment is not sufficient to meet the redemption requests. The SICAV may set the payment deadline within this timeframe in accordance with market practice.

The Shares are issued or cancelled on the Bank Business Day in Luxembourg following the applicable Valuation Day.

**Valuation Day** > Each full Bank Business Day in Luxembourg.

**Publication of NAV** > Registered office of the SICAV

**Listing on Luxembourg Stock Exchange** > No

**LARRAINVIAL ASSET MANAGEMENT SICAV**  
**SICAV with multiple compartments incorporated under Luxemburg law**

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**POINTS OF CONTACT**

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**Subscriptions,  
redemptions,  
conversions  
and transfers**     >   J.P. MORGAN SE, LUXEMBOURG BRANCH  
Tel: 00352 462685633  
Fax: +352 46268 5432

**Documentation  
requests**     >   .....  
LARRAINVIAL ASSET MANAGEMENT  
ADMINISTRADORA GENERAL DE FONDOS  
S.A.  
.....  
Avenida Isidora Goyenechea 2800, Piso 15, Las Condes  
Santiago, Chile  
Tel: (+56) (2) 2339 8647

**ANNEX 2**

**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:** Larraivial Asset Management  
Sicav - Latin American Equity Fund

**Legal entity identifier:**  
5493002TRBDM8U7SH395

**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.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**



Yes



No

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

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

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

☐ It 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**



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

The investment process of this Compartment promotes ESG characteristics by including ESG considerations in securities analysis and portfolio construction following the Investment Manager's Responsible Investment Policy. For all new investments, the Compartment will be conducting enhanced due diligence with

respect to ESG characteristics, seeking to encourage issuers to promote such ESG characteristics as further detailed below.

The Compartment hereby adheres to the binding elements listed in the current section.

The Compartment promotes the following E characteristics:

**I. Energy & Carbon:**

1. by assessing the scope 1 and 2 carbon emissions and the fossil fuel use and management of negative externalities;
2. by promoting the use of external audits or certification processes to provide independent assurance of the issuer's internal processes with respect to scope 1 and 2 carbon emissions and fossil fuel use, to signal commitment with environmental best standards in this respect, and/or to signal a strategy to capture market trends opportunities and expectations in this area; and
3. by reviewing the commitment of the companies to prevent environmental damaging events and in the case of past events the measures taken to repair the damage and avoid another event.

**II. Water use and consumption:**

1. by assessing the water consumption and use and management of negative externalities;
2. by promoting the use of external audits or certification processes to provide independent assurance of the issuer's internal processes with respect to water consumption, to signal commitment with environmental best standards in this respect, and/or to signal a strategy to capture market trends opportunities and expectations in this area; and
3. by reviewing the commitment of the companies to prevent environmental damaging events and in the case of past events the measures taken to repair the damage and avoid another event.

On the social side, the Compartment promotes:

- I. Respect of the UN Global Compact principles
- II. Respect of Human Rights Norms
- III. Respect of Labour Norms

The Investment Manager has put in place the ESG Scoring Process based on its own proprietary analysis (including proprietary questionnaire covering ESG questions to measure sustainability indicators and the specific risks that an investee company could address) of the E/S criteria as well as the MSCI analysis and reports. An ESG score is determined for each issuer based on their historical and current performance.

In addition the active promotion of E/S characteristics, the Investment Manager has put in place Exclusion Criteria that will include some or all of the following items:

**I. Energy & Carbon:**

- Coal fired power generation: 30% exclusion threshold (% of the energy mix);
- Thermal coal mining: 30% exclusion threshold (% of the energy mix).

**II. Respect of UN Global Compact principles/Respect of Human Rights Norms/Respect of Labor Norms:**

**Sustainability indicators**

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

- Military Armament - Controversial weapons;
- Tobacco;
- Spirits;
- Civilian firearms;
- Adult entertainment;
- Gambling.

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

All potential investments go through the ESG Scoring Process and the ESG due diligence questionnaire in order to measure the issuer's attainment of environmental and social characteristics promoted by the Compartment while ensuring that the issuer follows good governance practices. Both individual assets or a portfolio of assets can be assessed through this process depending on the potential investment and its structure.

In particular, the following indicators are assessed through the questionnaire and the ESG Scoring Process:

**ENVIRONMENTAL INDICATORS**

**I. Energy & Carbon:**

**Weighted Average Carbon Intensity:** The Weighted Average Carbon Intensity measures the compartment's exposure to carbon intensive companies. The figure is the sum of security weight (normalized for corporate positions only) multiplied by the security Carbon Intensity. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue. The result is categorized as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and VeryHigh (>=525).

**Fossil Fuel Reserves (%):** The percentage of portfolio's market value exposed to companies that own fossil fuel reserves.

**High Impact Fossil Fuel Reserves (%):** The percentage of portfolio's market value exposed to companies that own high impact fossil fuel reserves. High impact fossil fuel reserves include Thermal Coal, Oil Sands, and Shale Oil and Shale Gas.

**II. Water use and consumption:**

**Exposure to High Water Intensity Activities (%):** The percentage of portfolio's market value exposed to companies with operations in lines of business that are typically highly water intensive.

**Exposure to High Water Risk (%):** The percentage of portfolio's market value exposed to companies with a Water Stress Exposure Score > 6.6. Scores combine the geographic and business segment components and range from 0 to 10.

**SOCIAL INDICATORS**

**I. Respect of UN Global Compact principles:**

**Global Compact Compliance Violation (%):** The percentage of portfolio's market value exposed to companies in violation of the UN Global Compact principles.



**Global Compact Compliance Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in violation of the UN Global Compact principles, or on MSCI's "Watch List" for potential violations.

## **II. Respect of Human Rights Norms:**

**Human Rights Norms Violation (%):** The percentage of portfolio's market value exposed to companies in violation of international norms around human rights.

**Human Rights Norms Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in violation of international norms around human rights, or on MSCI's "Watch List" for potential violations.

## **III. Respect of Labor Norms:**

**Labor Norms Violation (%):** The percentage of portfolio's market value exposed to companies in violation of the International Labour Organization's broader set of labor standards.

**Labor Norms Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in violation of the International Labour Organization's broader set of labor standards, or on MSCI's "Watch List" for potential violations.

\*\*\*

By applying these indicators, an overall ESG Score is determined. The ESG score of the Compartment results from the weighted average of the ESG scores of each company in the portfolio. The ESG score of each company is based on MSCI's methodology, which assesses the availability and quality of a set of the sustainability indicators listed above for each company and weights them based on the industry it operates according to a materiality analysis for each sector.

**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.

**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?**

N/A

**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?*

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



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

☐ Yes, \_\_\_\_\_

☒ No



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

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

The Compartment will maintain a minimum of 70% of the assets in equity and equity linked securities of companies that are incorporated in Latin America or conduct the main part of their economic activity within the region.

The exposure of the Compartment will be manifested by holding instruments such as stocks, depository receipts, convertible securities, equity linked notes and derivatives. The Compartment may use financial derivative instruments for hedging purposes only.

Cash equivalents and fixed income may be held in the portfolio on a short term basis.

The acquisition of warrants and other rights attached to the financial instruments here above mentioned in the previous paragraph is authorized.

Loans and short-selling are not allowed. The first five holdings should not represent more than 40% of the portfolio.

The Compartment follows mainly a bottom up fundamental approach to due diligence, operations and exists.

At due diligence, the Investment Manager applies with respect to the Compartment the following Exclusion Criteria:

#### **I. Energy & Carbon:**

- Coal fired power generation: 30% exclusion threshold (% of the energy mix);
- Thermal coal mining: 30% exclusion threshold (% of the energy mix).

#### **II. Respect of UN Global Compact principles/Respect of Human Rights Norms/Respect of Labor Norms:**

- Military Armament - Controversial weapons;
- Tobacco;
- Spirits;
- Civilian firearms;
- Adult entertainment;
- Gambling.

In addition, at due diligence, the Investment Manager shall use the proprietary questionnaire that is fed both through an external ESG Data provider and the Investment Manager's sectorial analysis. The questionnaires are standardized and consider a materiality assessment that alters the weight for each sector, resulting in relatively comparable scores. An ESG Score based on the MSCI data and the proprietary data and analysis is granted to each investment before the Investment Manager decides to pursue or not an investment opportunity.

On a continuous basis (and at least annually), the Compartment will assess the compliance of the investment with the ESG score and report the evolution and any change thereof in the annual report against such score. The Investment Manager shall actively engage with the underlying issuers in maintaining and improving the ESG score by ensuring promotion of the E/S characteristics identified as being relevant to such issuer. The non-compliance by the issuer

with the requirements imposed to it, the loss of the ESG Score and the non-attainment of the ESG objectives will lead to the divestment of the Compartment from such issuer.

- ***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?***

In the selection of the investments, the Investment Manager shall first apply the Exclusion Criteria. After these exclusions being applied, the Investment Manager shall apply to the retained investments – for each E/S characteristics that is being promoted - the ESG questionnaire as well as the ESG Scoring Process based on MSCI data and proprietary data and analysis. An ESG score shall be determined for each issuer based on their historical and current performance. Only investments satisfying the minimum score determined by the Investment Manager (based on MSCI and proprietary data and analysis) for the specific activity and region shall be retained. Also, the investment Manager undertakes to actively engage with the underlying issuer in order to maintain and improve the ESG score.

- ***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 ESG questionnaire used by the Compartment includes a section where questions on good governance are included and these scores impact the scoring for assessment of whether or not to proceed with making an investment in the issuer. The questionnaire covers the following good governance practices:

- I. Board Flag (%)
- II. Board independence (%)
- III. No Female Directors (%)
- IV. Female Rep. 30% of Directors (%)
- V. Accounting Flag (%)
- VI. Pay Flag (%)
- VII. Ownership & Control Flag (%)

The ESG scoring will take into account these percentages as follows:  
**Board Flag (%)**: The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of board structure and effectiveness.

**Lack of Independent Board Majority (%)**: The percentage of portfolio's market value exposed to companies lacking an independent board majority.

**No Female Directors (%)**: The percentage of portfolio's market value exposed to companies with no female directors.

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

**Asset allocation**

describes the share of investments in specific assets.

**Female Represent 30% of Directors (%)**: The percentage of portfolio's market value exposed to companies where women comprise at least 30% of the board of directors

**Ownership and Control Flag (%)**: The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of ownership structure and risks.

**Pay Flag (%)**: The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of executive pay practices.

**No Pay Performance Link (%)**: The percentage of portfolio's market value exposed to companies flagged for executive pay /performance gaps.

**Lack of Internal Pay Equity (%)**: The percentage of portfolio's market value exposed to companies facing a lack of internal pay equity.

**Executive Pay Non-Disclosure (%)**: The percentage of portfolio's market value exposed to companies flagged for executive pay non-disclosure.

**Accounting Flag (%)**: The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of accounting aggressiveness.

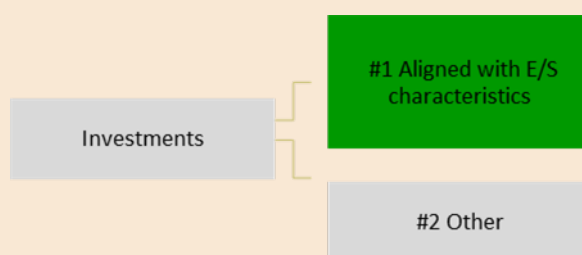


**What is the asset allocation planned for this financial product?**

The Compartment will maintain a minimum of 70% of the assets in equity and equity linked securities of companies that are incorporated in Latin America or conduct the main part of their economic activity within the region. The exposure of the Compartment will be manifested mainly by holding instruments such as stocks, depository receipts, convertible securities, equity linked notes and derivatives.

Based on the investment strategy, the Compartment seeks a minimum of 98.5% exposure to investments that are aligned with the E and S characteristics described therein.

--> 98.5% #1 Aligned with E/S characteristics, 1.5% in #2 Other (average Cash amount for liquidity purposes and that does not consider E/S safeguards)



**#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.

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

The Compartment does not currently use derivatives in order to attain the environmental or social characteristics that it promotes. .



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

N/A

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?**

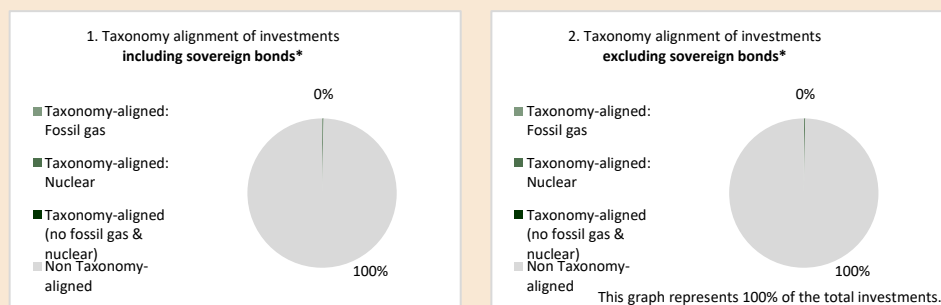
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

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



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

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

N/A



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

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

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

N/A



**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?**

We only consider cash to be allocated under #2 Other. Cash amounts for 0.5%-1.5% of the portfolio on average, it has liquidity purposes and does not consider E/S safeguards.



**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?** N/A

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

● ***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



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

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

Product specific information in accordance with Article 10 of SFDR and in alignment with Section 1 of the Commission Delegated Regulation (EU) 2022/1288 ((a) ‘Summary’; (b) ‘No sustainable investment objective’; (c) ‘Environmental or social characteristics of the financial product’; (d) ‘Investment strategy’; (e) ‘Proportion of investments’; (f) ‘Monitoring of environmental or social characteristics’; (g) ‘Methodologies’; (h) ‘Data sources and processing’; (i) ‘Limitations to methodologies and data’; (j) ‘Due diligence’; (k) ‘Engagement policies’; (l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, ‘Designated reference benchmark’) are shared via the Investor Portal.

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Further information can be found here:

[https://www.lvamfunds.com/responsible\\_investment.html](https://www.lvamfunds.com/responsible_investment.html)

<https://www.lvamfunds.com/funds.html>

## LARRAINVIAL ASSET MANAGEMENT SICAV – LATIN AMERICAN CORPORATE DEBT FUND

### INVESTMENT POLICY

**Compartment objective** > The compartment's investment objective is to maximize, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.

**Investment policy** > The compartment aims to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations of issuers incorporated or having their principal business activities in the Latin American and Caribbean region. The balance of the compartment's assets may be invested in bonds and debt obligations of companies and government entities of countries other than those named above.

The compartment will maintain a minimum of 70% of the assets in bonds and fixed income securities of issuers incorporated or having their principal business activities in the Latin American and Caribbean region. The exposure of the compartment will be manifested by holding instruments such as bonds, depository receipts, ETF, convertible securities and derivatives. The Compartment may use financial derivative instruments for hedging purposes only as further described in section 7.10 "Restrictions on financial derivative instruments and instruments and techniques of efficient portfolio management" and section 7.12 "Currency Transactions".

The compartment may also be exposed to Investment Grade bonds and High Yield bonds in a proportion which may vary according to market conditions, as a consequence, investment may be higher in High Yield or Investment Grade.

For treasury purposes and/or in order to achieve its investment goals, the Compartment may invest in money market instruments that meet the criteria of article 41(1) of the Law of 2010.

On an ancillary basis, the Compartment may hold up to 20% of its NAV in Ancillary Liquid Assets. Such limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders.

The acquisition of warrants attached to the financial instruments here above mentioned in the first and second paragraphs is authorized.

The compartment may invest up to 15% of its net assets in Additional Tier 1 (AT1) or Tier 2 (T2) contingent convertible bonds (**CoCos**) having mechanical and/or discretionary triggers for the loss absorption mechanism. It is understood that the CoCos' loss absorption mechanism could be either: (i) a full or partial write-down of the CoCo's principal; or (ii) a conversion of the CoCos into equity.

Loans and short-selling are not allowed.

The Compartment is adopting ESG measures described under section 8 "*Sustainability Related Disclosures*".

**The Compartment promotes E and S characteristics pursuant to article 8 SFDR as further detailed in Annex 3 to which the Compartment fully adheres.**

In the context of the Taxonomy Regulation, in view of its ESG strategy, the Compartment promotes environmental and social characteristics through the



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investments pursued and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation. As a consequence thereof, the “do no significant harm” principle does not apply to the investments underlying the Compartment.

For further details please refer to the Annex 3.

The compartment is active and managed without any reference to a benchmark. The Investment Manager has complete discretion over the composition of its portfolio subject to the compartment objective and investment policy.

<b>Reference Currency</b>	>	USD
<b>Investment horizon</b>	>	At least 1 year
<b>Risk management method</b>	>	Commitment approach (no leverage)
<b>Sustainability Risks Likely Impact on Compartment's Return</b>	>	Latin America, as other Emerging Markets could be exposed to more Sustainability Risks than others. For instance, governance risks are usually more pronounced in Latin America, materialising from a lack of maturity of corporate tenure. Increased risks of political, economic and social instability and adverse changes in government regulations and laws are to be expected in Latin American markets. Additionally, companies located in Latin America are often less transparent and deliver less robust disclosures resulting in a more challenging task for Investment Managers and external providers to assess the exposure to and materiality of eventual Sustainability Risks. High levels of deforestation that can have an adverse impacts on biodiversity and on climate change mitigation objectives can result in increased scrutiny by NGOs and customers, which brings reputational risks to investments in these markets and to the Investment Manager but could also have an impact on the portfolio companies' sales revenues or additional capital expenditures resulting from strengthened environmental regulation. Finally, environmental risks linked to climate change and natural disasters such as droughts or wildfires can significantly destabilize crucial industry sectors such as agriculture, farming or tourism and ultimately affect the return of the Compartment.
<b>Risk factors</b>	>	Investors are invited to read section 9 “Risks Associated with Investing in the SICAV” in this Prospectus for information on the potential risks linked to an investment in this compartment.

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**MANAGER AND/OR INVESTMENT ADVISOR**

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<b>Investment Manager</b>	>	The Investment Manager and promoter of the SICAV is a regulated Chilean fund manager called “LarrainVial Asset Management Administradora General de Fondos S.A.”. It is part of the Larrain Vial Group “Larrain Vial S.A.”, one of the oldest financial corporations of Chile, founded in 1934. The fund manager “LarrainVial Asset Management Administradora General de Fondos S.A.” began its activities in 2001 and as of December 31, 2020 manages 60-Chilean registered mutual and investments funds and around United States Dollar (USD) 6,300 MM of Assets. The Investment Manager is regulated by Chilean supervisory authorities, including the Comisión para el Mercado Financiero (CMF), member of IOSCO.
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**COMMISSIONS AND FEES PAID BY THE SHAREHOLDERS**

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<b>Subscription fee</b>	>	Up to 5.00% of the subscription amount
<b>Redemption fee</b>	>	None
<b>Conversion fee</b>	>	None
<b>Swing Pricing</b>	>	Not applicable

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**EXPENSES BORNE BY THE COMPARTMENT**

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<b>Investment Management Fee</b>	>	<p><b>For Share Class A, Share Class EA and Share Class AD:</b></p> <p>Up to 2.00% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p><b>For Share Class F, Share Class EF and Share Class FD:</b></p> <p>Up to 1.60% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p><b>For Share Class I, Share Class EI and Share Class ID:</b></p> <p>Up to 1.00% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p>Share Class I and Share Class EI are exclusively dedicated to Institutional Investors. These are capitalization Shares.</p> <p><b>For Share Class L: 0%</b></p> <p><b>For Share Class LD: 0%</b></p> <p><b>For Share Class X, Share Class XD, Share Class EX and Share Class UX:</b></p> <p>Up to 0.8% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p>Share Class X, Share Class XD, Share Class EX and Share Class UX are exclusively dedicated to Institutional Investors.</p>
<b>Depository fee (excluding transaction fees)</b>	>	Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, with a maximum of 0.65% p.a. of the average net asset value of the different compartments of the SICAV.
<b>Management Company fee</b>	>	Up to 0.35% p.a. of the average net assets of the compartment with a minimum of up to EUR 50'000 per annum per compartment.
<b>Central Administration fee</b>	>	Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, to a maximum of 1.0 % p.a. of the average net asset value of the different compartments of the SICAV.
<b>Other fees and expenses</b>	>	In addition, the compartment will charge other operating fees as referred to in Article 31 of the Articles of Incorporation.

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**MARKETING OF SHARES**

<b>Classes of Shares offered for subscription</b>	>	Class of Shares	Currency	Accumulation/ Distribution	ISIN	Telekurs	CUSIP
		A	USD	Accumulation	LU0648315348	13296434	L5943S 435
		AD	USD	Distribution	LU2398928098	115358029	L59447 182
		EA	EUR	Accumulation	LU0648315421	13296435	
		F	USD	Accumulation	LU0648315694	13296436	L5943S 443
		FD	USD	Distribution	LU2398928171	115358401	L59447 190
		EF	EUR	Accumulation	LU0648315777	13296437	
		I	USD	Accumulation	LU0648315850	13296440	L5943S 401
		ID	USD	Distribution	LU2398928254	115358714	L59447 208
		EI	EUR	Accumulation	LU0648315934	13296441	
		L	USD	Accumulation	LU1153301798	26298712	L5943S 732
		LD	USD	Distribution	LU1492394058	149239405	
		X	USD	Accumulation	LU2751660734	132283828	L59447 745
		XD	USD	Distribution	LU2751660817	132283839	L59447 737
		EX	EUR	Accumulation	LU2751660908	132283842	L59447 729
		UX	USD	Accumulation	LU2751661039	132283848	L59447 711

**Form of Shares** > Shares are issued as registered Shares in the name of the Investor in the register of Shareholders.

Shares may be issued in fractions up to the ten-thousandth of a Share.

<b>Minimum initial investment</b>	>	Class of Shares	Currency	Minimum initial investment
		A	USD	5'000
		AD	USD	5'000
		EA	EUR	5'000
		F	USD	300'000
		FD	USD	300'000
		EF	EUR	300'000
		I	USD	1'000'000
		ID	USD	1'000'000
		EI	EUR	1'000'000
		L	USD	1'000
		LD	USD	1'000
		X	USD	20'000'000
		XD	USD	20'000'000
		EX	EUR	20'000'000
		UX	USD	20'000'000

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The board of directors of the SICAV may, at its sole discretion, decide, for all subscription orders received for a particular Valuation Day, to accept these subscription requests without applying the minimum subscription amount.

**Subscriptions, redemptions and conversions**      > Subscription, redemption and conversion orders received by the Central Administration before 3.00 pm on a Bank Business Day in Luxembourg are calculated on the basis of the net asset value on the same Valuation Day applying the charges set out above. Subscriptions and redemptions must be paid up no later than three (3) Bank Business Days in Luxembourg following the Valuation Day and conversions must be implemented no later than three (3) Bank Business Days in Luxembourg following the Valuation Day. The SICAV reserves the right to extend the period of payment of redemption proceeds up to eight business days following the Valuation Day, such extension taking into account the Shareholders' interest, as shall be necessary to repatriate proceeds of the sale of investments in the event of constraints in the markets in which a substantial part of the assets of the Compartment are invested or in exceptional circumstances where the liquidity of a Compartment is not sufficient to meet the redemption requests. The SICAV may set the payment deadline within this timeframe in accordance with market practice.

The Shares are issued or cancelled on the Bank Business Day in Luxembourg following the applicable Valuation Day.

**Valuation Day**      > Each full Bank Business Day in Luxembourg.

**Publication of NAV**      > Registered office of the SICAV

**Listing on Luxembourg Stock Exchange**      > No

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**POINTS OF CONTACT**

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**Subscriptions, redemptions,  
conversions and transfers**

> J.P. MORGAN SE, LUXEMBOURG BRANCH  
Tel: 00352 462685633  
Fax: +352 46268 5432

**Documentation requests**

> LARRAINVIAL ASSET MANAGEMENT ADMINISTRADORA  
GENERAL DE FONDOS S.A.  
Avenida Isidora Goyenechea 2800, Piso 15, Las Condes  
Santiago, Chile  
Tel: (+56) (2) 2339 8647

ANNEX 3

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

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

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

**Product name:** Larrainvial Asset Management Sicav - Latin American Corporate Debt Fund **Legal entity identifier:** 5493009ZV4CCOCRWKN13

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No

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

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

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

☐ It 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**



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

The investment process of this Compartment promotes ESG characteristics by including ESG considerations in securities analysis and portfolio construction following the Investment Manager's Responsible Investment Policy. For all new investments (including those in quasi-sovereign issuers such as local provinces), the Compartment will be conducting enhanced due diligence with respect to ESG characteristics, seeking to encourage issuers to promote such ESG characteristics as further detailed below.

The Compartment hereby adheres to the binding elements listed in the current section.

The Compartment promotes the following E characteristics:

**I. Energy & Carbon:**

1. by assessing the scope 1 and 2 carbon emissions and the fossil fuel use and management of negative externalities;
2. by promoting the use of external audits or certification processes to provide independent assurance of the issuer's internal processes with respect to scope 1 and 2 carbon emissions and fossil fuel use, to signal commitment with environmental best standards in this respect, and/or to signal a strategy to capture market trends opportunities and expectations in this area; and
3. by reviewing the commitment of the companies to prevent environmental damaging events and in the case of past events the measures taken to repair the damage and avoid another event.

**II. Water use and consumption:**

1. by assessing the water consumption and use and management of negative externalities;
2. by promoting the use of external audits or certification processes to provide independent assurance of the issuer's internal processes with respect to water consumption, to signal commitment with environmental best standards in this respect, and/or to signal a strategy to capture market trends opportunities and expectations in this area; and
3. by reviewing the commitment of the companies to prevent environmental damaging events and in the case of past events the measures taken to repair the damage and avoid another event.

On the social side, the Compartment promotes:

- I. Respect of the UN Global Compact principles
- II. Respect of Human Rights Norms
- III. Respect of Labour Norms

The Investment Manager has put in place the ESG Scoring Process based on its own proprietary analysis (including proprietary questionnaire covering ESG questions to measure sustainability indicators and the specific risks that an investee company could address) of the E/S criteria as well as the MSCI analysis and reports. An ESG score is determined for each issuer based on their historical and current performance.

In addition the active promotion of E/S characteristics, the Investment Manager has put in place Exclusion Criteria that will include some or all of the following items:

**I. Energy & Carbon:**

- Coal fired power generation: 30% exclusion threshold (% of the energy mix);
- Thermal coal mining: 30% exclusion threshold (% of the energy mix).

**II. Respect of UN Global Compact principles/Respect of Human Rights Norms/Respect of Labor Norms:**

- Military Armament - Controversial weapons;
- Tobacco;
- Spirits;
- Civilian firearms;
- Adult entertainment;

**Sustainability indicators**

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

- Gambling.



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

All potential investments go through the ESG Scoring Process and the ESG due diligence questionnaire in order to measure the issuer's attainment of environmental and social characteristics promoted by the Compartment while ensuring that the issuer follows good governance practices. Both individual assets or a portfolio of assets can be assessed through this process depending on the potential investment and its structure.

In particular, the following indicators are assessed through the questionnaire and the ESG Scoring Process:

**ENVIRONMENTAL INDICATORS**

**I. Energy & Carbon:**

**Weighted Average Carbon Intensity:** The Weighted Average Carbon Intensity measures the compartment's exposure to carbon intensive companies. The figure is the sum of security weight (normalized for corporate positions only) multiplied by the security Carbon Intensity. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue. The result is categorized as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and VeryHigh (>=525).

**Fossil Fuel Reserves (%):** The percentage of portfolio's market value exposed to companies that own fossil fuel reserves.

**High Impact Fossil Fuel Reserves (%):** The percentage of portfolio's market value exposed to companies that own high impact fossil fuel reserves. High impact fossil fuel reserves include Thermal Coal, Oil Sands, and Shale Oil and Shale Gas.

**II. Water use and consumption:**

**Exposure to High Water Intensity Activities (%):** The percentage of portfolio's market value exposed to companies with operations in lines of business that are typically highly water intensive.

**Exposure to High Water Risk (%):** The percentage of portfolio's market value exposed to companies with a Water Stress Exposure Score > 6.6. Scores combine the geographic and business segment components and range from 0 to 10.

**SOCIAL INDICATORS**

**I. Respect of UN Global Compact principles:**

**Global Compact Compliance Violation (%):** The percentage of portfolio's market value exposed to companies in violation of the UN Global Compact principles.

**Global Compact Compliance Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in violation of the UN Global Compact principles, or on MSCI's "Watch List" for potential violations.

**II. Respect of Human Rights Norms:**



**Human Rights Norms Violation (%):** The percentage of portfolio's market value exposed to companies in violation of international norms around human rights.

**Human Rights Norms Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in violation of international norms around human rights, or on MSCI's "Watch List" for potential violations.

**III. Respect of Labor Norms:**

**Labor Norms Violation (%):** The percentage of portfolio's market value exposed to companies in violation of the International Labour Organization's broader set of labor standards.

**Labor Norms Violation or Watch List (%):** The percentage of portfolio's market value exposed to companies in violation of the International Labour Organization's broader set of labor standards, or on MSCI's "Watch List" for potential violations.

\* \* \*

By applying these indicators, an overall ESG Score is determined. The ESG score of the Compartment results from the weighted average of the ESG scores of each company in the portfolio. The ESG score of each company is based on MSCI's methodology, which assesses the availability and quality of a set of the sustainability indicators listed above for each company and weights them based on the industry it operates according to a materiality analysis for each sector.

***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?***

N/A

***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?*

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

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

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

The Compartment aims to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations of issuers incorporated or having their principal business activities in the Latin American and Caribbean region. The balance of the Compartment's assets may be invested in bonds and debt obligations of companies and government entities of countries other than those named above.

The Compartment will maintain a minimum of 70% of the assets in bonds and fixed income securities of issuers incorporated or having their principal business activities in the Latin American and Caribbean region. The exposure of the Compartment will be manifested by holding instruments such as bonds, depository receipts, ETF, convertible securities and derivatives. The Compartment may use financial derivative instruments for hedging purposes only.

The Compartment may also be exposed to Investment Grade bonds and High Yield bonds in a proportion which may vary according to market conditions, as a consequence, investment may be higher in High Yield or Investment Grade.

The acquisition of warrants attached to the financial instruments here above mentioned in the first and second paragraphs is authorized.

The Compartment may invest up to 15% of its net assets in Additional Tier 1 (AT1) or Tier 2 (T2) CoCos having mechanical and/or discretionary triggers for the loss absorption mechanism. It is understood that the CoCos' loss absorption mechanism could be either: (i) a full or partial write-down of the CoCo's principal; or (ii) a conversion of the CoCos into equity.

Loans and short-selling are not allowed.

The Compartment follows mainly a bottom up fundamental approach to due diligence, operations and exists.

At due diligence, the Investment Manager applies with respect to the Compartment the following Exclusion Criteria:

#### **I. Energy & Carbon:**

- Coal fired power generation: 30% exclusion threshold (% of the energy mix);
- Thermal coal mining: 30% exclusion threshold (% of the energy mix).

#### **II. Respect of UN Global Compact principles/Respect of Human Rights Norms/Respect of Labor Norms:**

- Military Armament - Controversial weapons;
- Tobacco;
- Spirits;
- Civilian firearms;
- Adult entertainment;
- Gambling.

In addition, at due diligence, the Investment Manager shall use the proprietary questionnaire that is fed both through an external ESG Data provider and the Investment Manager's sectorial analysis. The questionnaires are standardized and consider a materiality assessment that alters the weight for each sector, resulting in relatively comparable scores. An ESG Score based on the MSCI data and the proprietary data and analysis is granted to each investment before the Investment Manager decides to pursue or not an investment opportunity.

On a continuous basis (and at least annually), the Compartment will assess the compliance of the investment with the ESG score and report the evolution and any change thereof in the annual report against such score. The Investment Manager shall actively engage with the underlying issuers in maintaining and improving the ESG score by ensuring promotion of the E/S characteristics identified as being relevant to such issuer. The non-compliance by the issuer with the requirements imposed to it, the loss of the ESG Score and the non-attainment of the ESG objectives will lead to the divestment of the Compartment from such issuer.

● ***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?***

In the selection of the investments, the Investment Manager shall first apply the Exclusion Criteria. After these exclusions being applied, the Investment Manager shall apply to the retained investments – for each E/S characteristics that is being promoted - the ESG questionnaire as well as the ESG Scoring Process based on MSCI data and proprietary data and analysis. An ESG score shall be determined for each issuer based on their historical and current performance. Only investments satisfying the minimum score determined by the Investment Manager (based on MSCI and proprietary data and analysis) for the specific activity and region shall be retained. Also, the investment Manager undertakes to actively engage with the underlying issuer in order to maintain and improve the ESG score.

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

N/A

**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 ESG questionnaire used by the Compartment includes a section where questions on good governance are included and these scores impact the scoring for assessment of whether or not to proceed with making an investment in the issuer. The questionnaire covers the following good governance practices:

- I. Board Flag (%)
- II. Board independence (%)
- III. No Female Directors (%)
- IV. Female Rep. 30% of Directors (%)
- V. Accounting Flag (%)
- VI. Pay Flag (%)
- VII. Ownership & Control Flag (%)

The ESG scoring will take into account these percentages as follows:  
**Board Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of board structure and effectiveness.

**Lack of Independent Board Majority (%):** The percentage of portfolio's market value exposed to companies lacking an independent board majority.

**No Female Directors (%):** The percentage of portfolio's market value exposed to companies with no female directors.

**Female Represent 30% of Directors (%):** The percentage of portfolio's market value exposed to companies where women comprise at least 30% of the board of directors

**Ownership and Control Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of ownership structure and risks.

**Pay Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of executive pay practices.

**No Pay Performance Link (%):** The percentage of portfolio's market value exposed to companies flagged for executive pay /performance gaps.

**Lack of Internal Pay Equity (%):** The percentage of portfolio's market value exposed to companies facing a lack of internal pay equity.

**Executive Pay Non-Disclosure (%):** The percentage of portfolio's market value exposed to companies flagged for executive pay non-disclosure.

**Accounting Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of accounting aggressiveness.



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

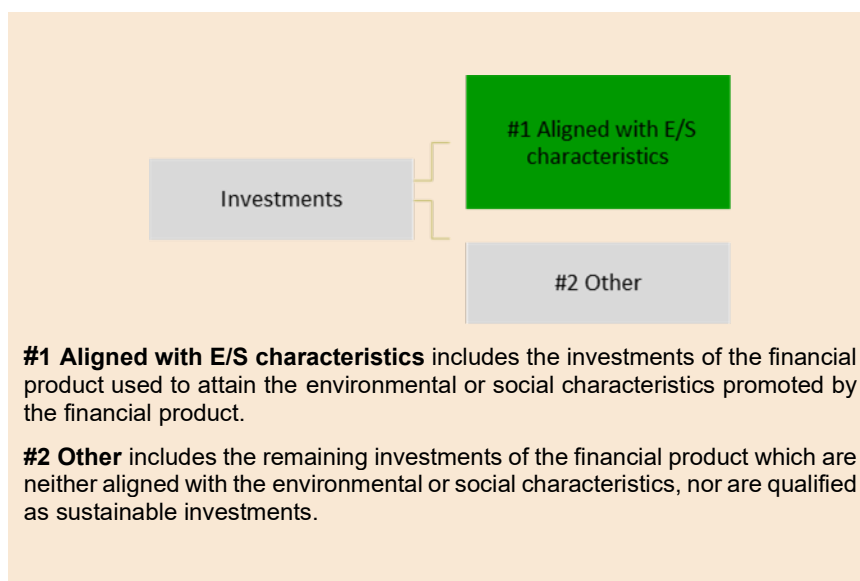
#### **What is the asset allocation planned for this financial product?**

The Compartment aims to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations of issuers incorporated or having their principal business activities in the Latin American and Caribbean region. The balance of the Compartment's assets may be invested in bonds and debt obligations of companies and government entities of countries other than those named above.

The Compartment will maintain a minimum of 70% of the assets in bonds and fixed income securities of issuers incorporated or having their principal business activities in the Latin American and Caribbean region. The exposure of the Compartment will be mainly manifested by holding instruments such as bonds, depository receipts, ETF, convertible securities and derivatives.

Based on the investment strategy, the Compartment seeks a minimum of 98.5% exposure to investments that are aligned with the E and S characteristics described therein.

--> 98.5% #1 Aligned with E/S characteristics, 1.5% in #2 Other (average Cash amount for liquidity purposes and that does not consider E/S safeguards)



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

The Compartment does not currently use derivatives in order to attain the environmental or social characteristics that it promotes. .



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

N/A

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

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

No

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

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

# LARRAINVIAL ASSET MANAGEMENT SICAV

## SICAV with multiple compartments incorporated under Luxembourg law

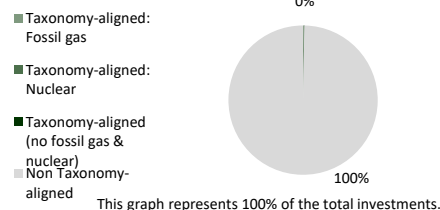


are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

1. Taxonomy alignment of investments including sovereign bonds\*



2. Taxonomy alignment of investments excluding 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?

N/A



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

N/A



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?

We only consider cash to be allocated under #2 Other. Cash amounts for 0.5%-1.5% of the portfolio on average, it has liquidity purposes and does not consider E/S safeguards.



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? N/A

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

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



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

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

Product specific information in accordance with Article 10 of SFDR and in alignment with Section 1 of the Commission Delegated Regulation (EU) 2022/1288 ((a) 'Summary'; (b) 'No sustainable investment objective'; (c) 'Environmental or social characteristics of the financial product'; (d) 'Investment strategy'; (e) 'Proportion of investments'; (f) 'Monitoring of environmental or social characteristics'; (g) 'Methodologies'; (h) 'Data sources and processing'; (i) 'Limitations to methodologies and data'; (j) 'Due diligence'; (k) 'Engagement policies'; (l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark') are shared via the Investor Portal.

Further information can be found here:

[https://www.lvamfunds.com/responsible\\_investment.html](https://www.lvamfunds.com/responsible_investment.html)

<https://www.lvamfunds.com/funds.html>



## **LARRAINVIAL ASSET MANAGEMENT SICAV – TOTAL RETURN LATAM BOND FUND**

### **INVESTMENT POLICY**

**Compartment objective** > The Compartment's investment objective is to maximize total investment return consisting of a combination of interest income, capital appreciation and currency gains.

**Investment policy** > The Compartment aims to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations of issuers, both public and private, incorporated or having their principal business activities in the Latin American and Caribbean region. On an ancillary basis the Compartment may be invested in bonds and debt obligations of companies and government entities of regions other than those named above.

The Compartment will normally maintain a minimum of 70% of the assets in bonds and fixed income securities of issuers, both public and private, incorporated or having their principal business activities in the Latin American and Caribbean region with the majority of investments being made in Latin America. The exposure of the Compartment will be manifested by holding instruments such as bonds, depository receipts, ETF, convertible securities and derivatives. The Compartment may use financial derivative instruments for hedging purposes only as further described in section 7.10 "Restrictions on financial derivative instruments and instruments and techniques of efficient portfolio management" and section 7.12 "Currency Transactions".

The Compartment may also be exposed to Investment Grade bonds and High Yield bonds in a proportion which may vary according to market conditions, as a consequence, investment may be higher in High Yield or Investment Grade.

The Compartment may also, and up to 10%, hold unrated securities as well as distressed and defaulted securities as a result of holding securities whose rating would have been downgraded to be defaulting or distressing, if, in the opinion of the investment manager, such securities are consistent with the sub-fund's investment objective.

The Compartment may invest up to 15% of its net assets in Additional Tier 1 (AT1) or Tier 2 (T2) contingent convertible bonds (**CoCos**) having mechanical and/or discretionary triggers for the loss absorption mechanism. It is understood that the CoCos' loss absorption mechanism could be either: (i) a full or partial write-down of the CoCo's principal; or (ii) a conversion of the CoCos into equity.

On an ancillary basis, the Compartment may hold up to 20% of its NAV in Ancillary Liquid Assets. Such limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders.

The acquisition of warrants attached to the financial instruments here above mentioned in the first and second paragraphs is authorized.

The Compartment is active and managed without any reference to a benchmark. The Investment Manager has complete discretion over the composition of its portfolio subject to the Compartment's objective and investment policy.

**The Compartment does not actively promote Sustainability Factors and does not maximize portfolio alignment with Sustainability Factors.**



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**however it remains exposed to Sustainability Risks pursuant to article 6 SFDR.**

<b>Reference Currency</b>	>	USD
<b>Investment horizon</b>	>	At least 3 years
<b>Risk management method</b>	>	Commitment approach (no leverage)
<b>Sustainability Risks Likely Impact on Compartment's Return</b>	>	<p>The Compartment does not actively promote Sustainability Factors and does not maximize portfolio alignment with Sustainability Factors, however it remains exposed to Sustainability Risks pursuant to article 6 SFDR. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. As a consequence, the Investment Manager considers the Sustainability Factors and its associates Risks as part of its investment process, integrating them in a proactive way that complements each investment and research process. The investment team of the Investment Manager uses a combination of ESG data bases from external specialised providers and proprietary ESG company scores based on a proprietary questionnaire covering environmental, social and governance questions to measure these Sustainability Factors and the specific risks a company could address. The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a sustainability risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.</p> <p>Latin America, as other Emerging Markets could be exposed to more Sustainability Risks than others. For instance, governance risks are usually more pronounced in Latin America, materialising from a lack of maturity of corporate tenure. Increased risks of political, economic and social instability and adverse changes in government regulations and laws are to be expected in Latin American markets. Additionally, companies located in Latin America are often less transparent and deliver less robust disclosures resulting in a more challenging task for Investment Managers and external providers to assess the exposure to and materiality of eventual Sustainability Risks. High levels of deforestation that can have an adverse impacts on biodiversity and on climate change mitigation objectives can result in increased scrutiny by NGOs and customers, which brings reputational risks to investments in these markets and to the Investment Manager but could also have an impact on the portfolio companies' sales revenues or additional capital expenditures resulting from strengthened environmental regulation. Finally, environmental risks linked to climate change and natural disasters such as droughts or wildfires can significantly destabilize crucial industry sectors such as agriculture, farming or tourism and ultimately affect the return of the Compartment.</p> <p>The investments underlying this Compartment do not take into account the EU criteria for environmentally sustainable economic activities.</p>
<b>Risk factors</b>	>	Investors are invited to read section 9 "Risks Associated with Investing in the SICAV" in this Prospectus for information on the potential risks linked to an investment in this Compartment.

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**MANAGER AND/OR INVESTMENT ADVISOR**

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<b>Investment Manager</b>	>	The Investment Manager and promoter of the SICAV is a regulated Chilean fund manager called "LarrainVial Asset Management Administradora General de Fondos S.A.". It is part of the Larrain Vial Group "Larrain Vial S.A.", one of
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the oldest financial corporations of Chile, founded in 1934. The fund manager "LarrainVial Asset Management Administradora General de Fondos S.A." began its activities in 2001 and as of December 31, 2020 manages 60-Chilean registered mutual and investments funds and around United States Dollar (USD) 6,300 MM of Assets. The Investment Manager is regulated by Chilean supervisory authorities, including the Comisión para el Mercado Financiero (CMF), member of IOSCO.

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**COMMISSIONS AND FEES PAID BY THE SHAREHOLDERS**

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<b>Subscription fee</b>	>	Up to 5.00% of the subscription amount
<b>Redemption fee</b>	>	None
<b>Conversion fee</b>	>	None
<b>Swing Pricing</b>	>	Not applicable

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**EXPENSES BORNE BY THE COMPARTMENT**

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<b>Investment Management Fee</b>	>	<p><b>For Share Class A and Share Class EA:</b></p> <p>Up to 1.50% annually, payable quarterly and calculated on the basis of the average net assets of the Compartment for the quarter in question.</p> <p><b>For Share Class F and Share Class EF:</b></p> <p>Up to 1.10% annually, payable quarterly and calculated on the basis of the average net assets of the Compartment for the quarter in question.</p> <p><b>For Share Class I and Share Class EI:</b></p> <p>Up to 0.70% annually, payable quarterly and calculated on the basis of the average net assets of the Compartment for the quarter in question.</p> <p>Share Class I and Share Class EI are exclusively dedicated to (i) Institutional Investors and (ii) Financial Intermediaries. These are capitalization Shares.</p> <p><b>For Share Class L: 0%</b></p> <p><b>For Share Class LD: 0%</b></p> <p><b>For Share Class X, Share Class XD, Share Class EX and Share Class UX:</b></p> <p>Up to 0.8% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p>Share Class X, Share Class XD, Share Class EX and Share Class UX are exclusively dedicated to Institutional Investors.</p>
<b>Depository fee (excluding transaction fees)</b>	>	Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, with a maximum of 0.65% p.a. of the average net asset value of the different compartments of the SICAV.
<b>Management Company fee</b>	>	Up to 0.35% p.a. of the average net assets of the compartment with a minimum of up to EUR 50'000 per annum per compartment.
<b>Central Administration fee</b>	>	Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, to a maximum of 1.0

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% p.a. of the average net asset value of the different compartments of the SICAV.

**Other fees and expenses**      >      In addition, the compartment will charge other operating fees as referred to in Article 31 of the Articles of Incorporation.

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**MARKETING OF SHARES**

<b>Classes of Shares offered for subscription</b>	Class of Shares	Currency	Accumulation/ Distribution	ISIN	Telekurs	CUSIP
	A	USD	Accumulation	LU2390840879	114805518	
	EA	EUR	Accumulation	LU2390840952	114805519	
	F	USD	Accumulation	LU2390841091	114805520	
	EF	EUR	Accumulation	LU2390841174	114805521	
	I	USD	Accumulation	LU2390841257	114805560	L59447 125
	EI	EUR	Accumulation	LU2390841331	114805561	
	L	USD	Accumulation	LU2390841414	114805562	
	LD	USD	Distribution	LU2390841505	114805563	
	X	USD	Accumulation	LU2751661112	132250721	L59447 695
	XD	USD	Distribution	LU2751661203	132250722	L59447 687
	EX	EUR	Accumulation	LU2751661385	132250723	L59447 679
	UX	USD	Accumulation	LU2751661468	132250724	L59447 661

**Form of Shares** > Shares are issued as registered Shares in the name of the Investor in the register of Shareholders.

Shares may be issued in fractions up to the ten-thousandth of a Share.

<b>Minimum initial investment</b>	Class of Shares	Currency	Minimum initial investment
	A	USD	5'000
	EA	EUR	5'000
	F	USD	300'000
	EF	EUR	1'000'000
	I	USD	1'000'000
	EI	EUR	1'000'000
	L	USD	1'000
	LD	USD	1'000
	X	USD	20'000'000
	XD	USD	20'000'000
	EX	EUR	20'000'000
	UX	USD	20'000'000

The board of directors of the SICAV may, at its sole discretion, decide, for all subscription orders received for a particular Valuation Day, to accept these subscription requests without applying the minimum subscription amount.

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<b>Subscriptions, redemptions and conversions</b>	<p>&gt; Subscription, redemption and conversion orders received by the Central Administration before 3.00 pm on a Bank Business Day in Luxembourg are calculated on the basis of the net asset value on the same Valuation Day applying the charges set out above. Subscriptions must be paid up no later than three (3) Bank Business Days in Luxembourg following the Valuation Day, redemptions must be paid up no later than eight (8) Bank Business Days in Luxembourg and conversions must be implemented no later than three (3) Bank Business Days in Luxembourg following the Valuation Day. The SICAV reserves the right to extend the period of payment of redemption proceeds up to eight business days following the Valuation Day, such extension taking into account the Shareholders' interest, as shall be necessary to repatriate proceeds of the sale of investments in the event of constraints in the markets in which a substantial part of the assets of the Compartment are invested or in exceptional circumstances where the liquidity of a Compartment is not sufficient to meet the redemption requests. The SICAV may set the payment deadline within this timeframe in accordance with market practice.</p> <p>The Shares are issued or cancelled on the Bank Business Day in Luxembourg following the applicable Valuation Day.</p>
<b>Valuation Day</b>	> Each full Bank Business Day in Luxembourg.
<b>Publication of NAV</b>	> Registered office of the SICAV
<b>Listing on Luxembourg Stock Exchange</b>	> No

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**POINTS OF CONTACT**

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<b>Subscriptions, redemptions, conversions and transfers</b>	> J.P. MORGAN SE, LUXEMBOURG BRANCH Tel: 00352 462685633 Fax: +352 46268 5432
<b>Documentation requests</b>	> .....  LARRAINVIAL ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A.  ..... Avenida Isidora Goyenechea 2800, Piso 15, Las Condes Santiago, Chile Tel: (+56) (2) 2339 8647

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## **LARRAINVIAL ASSET MANAGEMENT SICAV – GAVEKAL LATAM LOCAL CURRENCY DEBT FUND**

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### **INVESTMENT POLICY**

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#### **Compartment objective**

- > The Compartment's investment objective is to maximize, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.

The Compartment is actively managed and is managed in reference to JP Morgan Government Bond Index-Broad Diversified LatAm (the **"Benchmark"**) for comparative purposes. The Investment Managers have complete discretion over the composition of its portfolio subject to the Compartment's investment objective and investment policy and may take exposure to companies, countries or sectors not included in the Benchmark.

#### **Investment policy**

- > The Compartment aims to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations of issuers incorporated or having their principal business activities in the Latin American and Caribbean region (Brazil, Colombia, Chile, Dominican Republic, Ecuador, Mexico, Panama, Puerto Rico, Bolivia, Uruguay, Paraguay, Peru and Argentina). On an ancillary basis, the Compartment may be invested up to 30% of its net assets, in bonds and debt obligations of companies and government entities in developed markets.

The Compartment will maintain a minimum of 70% of its net assets in bonds and fixed income securities of issuers incorporated or having their principal business activities in the Latin American and Caribbean region. The main investment sectors targeted are information technology, financial, consumer discretionary, energy, materials, industrial, utilities, healthcare, real estate, communication and government sectors. The exposure of the compartment will be manifested by holding instruments such as bonds, depository receipts, ETF, convertible securities and derivatives.

The investments are primarily denominated in the local currencies of the Latin American and Caribbean countries (BRL, CLP, MXN, PEN, ARS, DOP, UYU and COP). In all cases, the Compartment's exposure to these currencies will be at least two-thirds of the Compartment's assets, either by direct or indirect investment or by authorised derivative instruments. The Compartment may also have investments in USD, EUR, JPY, CHF and GBP.

The Compartment may use financial derivative instruments for hedging purposes as per section 7.12 "Currency Transactions" and for investment purposes, subject to section 7.10 "Restrictions on financial derivative instruments and instruments and techniques of efficient portfolio management".

Financial derivative instruments for hedging purposes may include FX forwards, interest rate swaps, currency futures, bond futures and cross currency swaps.

Financial derivative instruments for investment purposes may include FX forwards, interest rate swaps, currency futures, bond futures, credit default swaps, cross currency swaps and inflation forwards.

The Compartment may also be exposed to Investment Grade bonds and High Yield bonds in a proportion which may vary according to market conditions, as a consequence, investments may be higher in High Yield bonds or Investment Grade bonds. At any time the Compartment may have an exposure up to 100%

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of its NAV in High Yield bonds. Without prejudice to the generality of the foregoing, under normal market conditions, it is expected that the Compartment will have a higher exposure to High Yield bonds, which can typically represent up to 70% of its NAV, than to Investment Grade bonds. Such expected exposure may increase, among other reasons, as a result of changes in the credit ratings of the issuers of the bonds held by the Compartment, or changes in the global country risk ratings of the countries where such issuers are domiciled.

The Compartment will not invest directly in distressed or defaulted securities. It is understood that, in the event of a downgrade of the credit ratings of a security or an issuer to distressed or defaulted, the Compartment may, at the discretion of the Investment Managers, and in the best interests of the Shareholders, continue to hold those debt securities which have been downgraded, provided that in any case the Compartment's maximum exposure to distressed or defaulted securities will be limited to a maximum of 5% of its net assets.

The acquisition of warrants attached to the financial instruments here above mentioned in the first and second paragraphs is authorized.

Loans and short-selling are not allowed.

The Compartment may invest up to 10% of its net assets in Additional Tier 1 (AT1) or Tier 2 (T2) contingent convertible bonds (**CoCos**) having mechanical and/or discretionary triggers for the loss absorption mechanism. It is understood that the CoCos' loss absorption mechanism could be either: (i) a full or partial write-down of the CoCo's principal; or (ii) a conversion of the CoCos into equity.

For treasury purposes and/or in order to achieve its investment goals and/or in case of unfavourable market conditions, the Compartment may hold bank deposits, money market instruments or money market funds that meet the criteria of article 41(1) of the Law of 2010.

On an ancillary basis, the Compartment may hold up to 20% of its NAV in Ancillary Liquid Assets. Such limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders.

The Compartment is adopting ESG measures described under section 8 "Sustainability Related Disclosures".

**The Compartment promotes E and S characteristics pursuant to article 8 SFDR as further detailed in Annex 4 to which the Compartment fully adheres.**

In the context of the Taxonomy Regulation, in view of its ESG strategy, the Compartment promotes environmental and social characteristics through the investments pursued and does not aim to invest in environmentally sustainable economic activities.

For further details please refer to the Annex 4.

<b>Reference Currency</b>	>	USD
<b>Investment horizon</b>	>	At least 1 year
<b>Risk management method</b>	>	Absolute VaR
<b>Expected Leverage</b>	>	0% to 300%, depending on market conditions.

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<b>Leverage method</b>	<b>calculation</b>	> Sum of notional amounts.
<b>Sustainability Risks Likely Impact on Compartment's Return</b>		> Latin America, as other Emerging Markets could be exposed to more Sustainability Risks than others. For instance, governance risks are usually more pronounced in Latin America, materialising from a lack of maturity of corporate tenure. Increased risks of political, economic and social instability and adverse changes in government regulations and laws are to be expected in Latin American markets. Additionally, companies located in Latin America are often less transparent and deliver less robust disclosures resulting in a more challenging task for Investment Managers and external providers to assess the exposure to and materiality of eventual Sustainability Risks. High levels of deforestation that can have an adverse impacts on biodiversity and on climate change mitigation objectives can result in increased scrutiny by NGOs and customers, which brings reputational risks to investments in these markets and to the Investment Managers but could also have an impact on the portfolio companies' sales revenues or additional capital expenditures resulting from strengthened environmental regulation. Finally, environmental risks linked to climate change and natural disasters such as droughts or wildfires can significantly destabilize crucial industry sectors such as agriculture, farming or tourism and ultimately affect the return of the Compartment.
<b>Risk factors</b>		<p>&gt; Investors are invited to read section 9 "Risks Associated with Investing in the SICAV" in this Prospectus for information on the potential risks linked to an investment in this Compartment.</p> <p>In particular, prospective investors should carefully consider the risks linked to investments in high-yield securities, to investments in debt securities denominated in various currencies, the use of derivative instruments and to investments in Emerging Markets.</p>

## MANAGER AND/OR INVESTMENT ADVISOR

**Investment Managers**

> The Management Company has appointed LarrainVial Asset Management Administradora General de Fondos S.A. and Gavekal Capital Limited, as Investment Managers of the Compartment.

“LarrainVial Asset Management Administradora General de Fondos S.A.” is part of the Larrain Vial Group “Larrain Vial S.A.”, one of the oldest financial corporations of Chile, founded in 1934. The fund manager “LarrainVial Asset Management Administradora General de Fondos S.A.” began its activities in 2001 and as of December 31, 2020 manages 60- Chilean registered mutual and investments funds and around United States Dollar (USD) 6,300 MM of Assets. LarrainVial Asset Management Administradora General de Fondos S.A. is regulated by Chilean supervisory authorities, including the Comisión para el Mercado Financiero (CMF), member of IOSCO.

“Gavekal Capital Limited”, a private company limited by shares, with registered office at Suite 3101, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, authorised and supervised by the Hong Kong Securities and Futures Commission.

The investment management fee and the performance fee will be allocated between the Investment Managers as agreed from time to time between the parties.



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**COMMISSIONS AND FEES PAID BY THE SHAREHOLDERS**

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<b>Subscription fee</b>	>	Up to 5.00% of the subscription amount
<b>Redemption fee</b>	>	None
<b>Conversion fee</b>	>	None
<b>Swing Pricing</b>	>	Not applicable

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**EXPENSES BORNE BY THE COMPARTMENT**

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<b>Investment Management Fee</b>	>	<p><b>For Share Class A, Share Class EA and Share Class AD:</b></p> <p>Up to 2.00% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p><b>For Share Class F, Share Class EF and Share Class FD:</b></p> <p>Up to 1.60% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p><b>For Share Class I, Share Class EI and Share Class ID:</b></p> <p>Up to 1.00% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p>Share Class I and Share Class EI are exclusively dedicated to Institutional Investors. These are capitalization Shares.</p> <p><b>For Share Class C:</b></p> <p>Up to 0.75% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p><b>For Share Class L: 0%</b></p> <p><b>For Share Class LD: 0%</b></p> <p><b>For Share Class X, Share Class XD, Share Class EX and Share Class UX:</b></p> <p>Up to 0.8% annually, payable quarterly and calculated on the basis of the average net assets of the compartment for the quarter in question.</p> <p>Share Class X, Share Class XD, Share Class EX and Share Class UX are exclusively dedicated to Institutional Investors.</p>
<b>Performance Fee</b>	>	<p><b>Applicable only to Share Class A and Share Class EA</b></p> <p>The Investment Managers will receive a performance fee, payable on an annual basis, and representing 10% of the annual increase of the NAV per Share above the annual performance of the Benchmark during the Financial Year. The Investment Managers will receive this performance fee only if there are no under-performances in the previous five calendar years (the “<b>Performance Period</b>”) (or since the current investment policy has been adopted if this is less than five years) that have not been compensated by over-performances.</p> <p>Thus when the performance of the Compartment exceeds the performance of the Benchmark, taking into account the Performance Period (or the date of the adoption of the current investment policy), an accrual of 10% of the over-performance will be accounted for each NAV per Share.</p> <p>No performance fee will be payable if the absolute performance of the Compartment is negative.</p>

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The performance fee will be calculated and accrued at each Valuation Day on the basis of the NAV after deducting all fees and expenses, including the Management Company fee but before deduction of performance fee and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the performance fee. In case of negative performance against the Benchmark on any given Valuation Day, the accrued performance fee will be reduced in proportion to the negative performance.

In any case, the performance fee will be limited to no more than 1% per year of the average NAV of the relevant Share Classes.

The performance fee is crystallized in full at the SICAV's Financial Year end subject to outperforming the performance returns since the last crystallization date.

The performance fee is payable within the month following the end of each Financial Year.

No performance fee will crystallize during the first 12 months following the creation of the relevant Share Class.

In addition, (i) if a Shareholder redeems or converts all or part of its Shares before the end of a Performance Period or (ii) in case of liquidation of the Company, of liquidation of the Compartment or of a Share Class or of merger of the Compartment, any accrued performance fee with respect to such Shares will crystallize on the Valuation Day of respectively the redemption or conversion, the liquidation of the Company, the liquidation of the Compartment or of a Share Class or of the merger of the Compartment and will then become payable to the Investment Managers. However, in case of merger of the Compartment into a newly established compartment with no performance history and whose investment policy is not substantially different from that of the Compartment, any performance fee shall not be crystallized and the performance reference period of the Compartment should continue applying in the newly established compartment.

The performance scenarios of the Compartment against the Benchmark is displayed in the relevant KID.

The calculation examples are set out in the Appendix "Performance Fee Examples".

The SICAV has adopted a written plan setting out actions, which it will take with respect to the compartment in the event that the Benchmark materially changes or ceases to be provided (the "**Contingency Plan**"), as required by article 28(2) of the of the Benchmarks Regulation. Shareholders may access the Contingency Plan, free of charge, via the following website: [www.lvamfunds.com](http://www.lvamfunds.com) and upon request at the registered office of the Management Company.

The Benchmark is provided by a benchmark administrator, J.P. Morgan Securities plc (the "**Administrator**"), that has until 31 December 2025 to apply for authorisation for the register of administrators and benchmark indices held by ESMA in accordance with article 36 of the Benchmarks Regulation (the "ESMA Register"). As at the date of publication of this Prospectus, the Administrator has not yet obtained authorisation and is therefore not yet registered in the ESMA Register. The Administrator will make information on its indices available to the public on its website, <https://www.jpmmorgan.com>.

**Depository fee (excluding >**  
**transaction fees)**

Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, with a maximum of 0.65% p.a. of the average net asset value of the different compartments of the SICAV.

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<b>Management Company fee</b>	>	Up to 0.35% p.a. of the average net assets of the Compartment with a minimum of up to EUR 50'000 per annum per compartment.
<b>Central Administration fee</b>	>	Quarterly commission calculated on the average net asset value of the different compartments of the SICAV for the quarter considered, to a maximum of 1.0 % p.a. of the average net asset value of the different compartments of the SICAV.
<b>Other fees and expenses</b>	>	In addition, the Compartment will charge other operating fees as referred to in Article 31 of the Articles of Incorporation.

**MARKETING OF SHARES**

<b>Classes of Shares offered for subscription</b>	>	Class of Shares	Currency	Accumulation/ Distribution	ISIN	Telekurs	CUSIP
		A	USD	Accumulation	LU2600586148	128419800	L59447 224
		C	EUR	Accumulation	LU2651005972	128419908	L59447 844
		AD	USD	Distribution	LU2600586221	128419801	L59447 307
		EA	EUR	Accumulation	LU2600586494	128419909	L59447 406
		F	USD	Accumulation	LU2600586577	128419912	L59447 505
		FD	USD	Distribution	LU2600586734	128419799	L59447 604
		EF	EUR	Accumulation	LU2600586650	128419793	L59447 703
		I	USD	Accumulation	LU2600586817	128419795	L59447 802
		ID	USD	Distribution	LU2600586908	128419907	
		EI	EUR	Accumulation	LU2600587039	128419913	L59447 877
		L	USD	Accumulation	LU2600587112	128419919	L59447 869
		LD	USD	Distribution	LU2600587203	128419796	L59447 851
		X	USD	Accumulation	LU2751661542	132299698	L59447 653
		XD	USD	Distribution	LU2751661625	132299701	L59447 646
		EX	EUR	Accumulation	LU2751661898	132299699	L59447 638
		UX	USD	Accumulation	LU2751661971	132299700	L59447 620

**Form of Shares** > Shares are issued as registered Shares in the name of the Investor in the register of Shareholders.

Shares may be issued in fractions up to the ten-thousandth of a Share.

<b>Minimum initial investment</b>	>	Class of Shares	Currency	Minimum initial investment
		A	USD	5'000
		C	EUR	10'000'000
		AD	USD	5'000
		EA	EUR	5'000
		F	USD	300'000
		FD	USD	300'000
		EF	EUR	300'000
		I	USD	1'000'000

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ID	USD	1'000'000
EI	EUR	1'000'000
L	USD	1'000
LD	USD	1'000
X	USD	20'000'000
XD	USD	20'000'000
EX	EUR	20'000'000
UX	USD	20'000'000

The board of directors of the SICAV may, at its sole discretion, decide, for all subscription orders received for a particular Valuation Day, to accept these subscription requests without applying the minimum subscription amount.

**Subscriptions, redemptions and conversions**

- > Subscription, redemption and conversion orders received by the Central Administration before 3.00 pm on a Bank Business Day in Luxembourg are calculated on the basis of the net asset value on the same Valuation Day applying the charges set out above. Subscriptions and redemptions must be paid up no later than three (3) Bank Business Days in Luxembourg following the Valuation Day and conversions must be implemented no later than three (3) Bank Business Days in Luxembourg following the Valuation Day. The board of directors of the SICAV reserves the right to extend the period of payment of redemption proceeds up to eight (8) Bank Business Days following the Valuation Day, such extension taking into account the Shareholders' interest, as shall be necessary to repatriate proceeds of the sale of investments in the event of constraints in the markets in which a substantial part of the assets of the Compartment are invested or in exceptional circumstances where the liquidity of a Compartment is not sufficient to meet the redemption requests. The board of directors of the SICAV may set the payment deadline within this timeframe in accordance with market practice.

The Shares are issued or cancelled on the Bank Business Day in Luxembourg following the applicable Valuation Day.

**Valuation Day**

- > Each full Bank Business Day in Luxembourg.

**Publication of NAV**

- > Registered office of the SICAV

**Listing on Luxembourg Stock Exchange**

- > No

**ANNEX 4**

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

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

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

**Product name:** Larrainvial Asset Management Sicav - Gavekal Latam Local Currency Debt Fund  
**Legal entity identifier:**

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**



Yes



No

- |  |   |
|--|---|
| <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ____%</p> | <p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p> |
|--|---|



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

The investment process of this Compartment promotes ESG characteristics by including ESG considerations in securities analysis and portfolio construction following the Investment Managers' Responsible Investment Policy. For all new investments (including those in quasi-sovereign issuers such as local provinces and sovereign issuers), the Compartment will be conducting enhanced due diligence with respect to ESG characteristics, seeking to encourage issuers to promote environmental and social characteristics such as carbon emissions management,

waste management, respect for human rights and social justice, and appropriate health, safety, and labour practices.

The Investment Managers have put in place the ESG Scoring Process based on their own proprietary analysis (including proprietary questionnaire covering ESG questions to measure sustainability indicators and the specific risks that an investee company could address) of the E/S criteria as well as the MSCI analysis and reports. An ESG score is determined for each issuer based on their historical and current performance.

In addition the active promotion of E/S characteristics, the Investment Managers have put in place Exclusion Criteria that will include some or all of the following items:

I. Energy & Carbon:

- Coal fired power generation: 30% exclusion threshold (% of the energy mix as an average in the last 3 years); with the exception of those issuers that have investment plans in place to increase the amount of energy produced by renewable sources and will therefore have a coal fired power generation of less than 30% in the next 5 years.
- Thermal coal mining: 30% exclusion threshold (% of the energy mix).

II. Respect of UN Global Compact principles/Respect of Human Rights Norms/Respect of Labour Norms:

- Military Armament - Controversial weapons;
- Tobacco;
- Spirits;
- Civilian firearms;
- Adult entertainment;
- Gambling.

**Sustainability indicators**

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

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

All potential investments go through the ESG Scoring Process and the ESG due diligence questionnaire in order to measure the issuer's attainment of environmental and social characteristics promoted by the Compartment while ensuring that the issuer follows good governance practices. Both individual assets or a portfolio of assets can be assessed through this process depending on the potential investment and its structure.

In particular, the following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Compartment:

I. Weighted Average Carbon Intensity: The Weighted Average Carbon Intensity measures the Compartment's exposure to carbon intensive companies. The figure is the sum of security weight (normalized for corporate positions only) multiplied by the security Carbon Intensity. At the corporate issuer level, Carbon Intensity is the ratio of annual tons of scope 1 and 2 carbon emissions to annual million US dollars in revenue. For sovereign issuers, carbon intensity is the ratio of annual tons of scope 1 and 2 carbon emissions to EUR million GDP of the country.

II. Percentage of companies with an Environmental Management System (EMS): This indicator measures the Compartment's exposure

to companies that have an EMS and how robust that EMS is, preferably certified under international standards such as ISO 14001.

III. Weighted Average Total Recordable Incident Rate: The Weighted Average Total Recordable Incident Rate (TRIR) is the sum of security weight (normalized for corporate positions only) multiplied by the security TRIR per million hours worked. The TRIR includes fatalities, lost time injuries, restricted work injuries and medical treatment injuries.

IV. Percentage of companies with Collective Bargaining Agreements: This indicator measures the Compartment's exposure to companies that have at least some workers represented by collective bargaining agreements.

V. The percentage of the compartment's NET Asset Value invested in fixed income instruments of countries that exhibit positive or improving ESG characteristics as per the Investment Managers' ESG Scoring Process.

VI. The Compartment's weighted average score combining the World Justice Project's (WJP) Rule of Law Index® and the World Bank's GINI Index. The figure is the sum of security weight (normalized for sovereign positions only) multiplied by the security's scores in each index.

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***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?***

N/A

***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?*

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

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

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

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





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

**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, the Compartment considers principal adverse impacts (PAIs) on sustainability factors through integration to the analysis and engagements with the underlying companies.

Given its investment strategy and portfolio composition, the Compartment considers the following PAIs:

- GHG emissions, carbon footprint, and GHG intensity of investee companies (#1, #2, #3)
- Exposure to companies active in the fossil fuel sector (#4)
- Hazardous waste and radioactive waste ratio (#9)
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (#10)
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (#11)
- Exposure to controversial weapons (#14)
- GHG intensity of investee countries (#15)
- Investee countries subject to social violations (#16)

Depending on data availability and quality, companies' performance on the PAIs are analysed during the holding period and those deemed to have a below average performance or having a high adverse impact on one or several indicators are identified as a candidate for an engagement case. Engagements can also be initiated due to low data disclosure.

The Investment Managers monitor the PAI indicators of each investee company and that of the Compartment on a quarterly basis.

Additional information on principal adverse impacts will be available in the Compartment's annual report.



No



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

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

The Compartment follows mainly a bottom up fundamental approach to due diligence, operations and exists.

At due diligence, the Investment Managers apply with respect to the Compartment the following Exclusion Criteria:

**I. Energy & Carbon:**

- Coal fired power generation: 30% exclusion threshold (% of the energy mix as an average in the last 3 years); with the exception of those issuers that have investment plans in place to increase the amount of energy produced by renewable sources and will therefore have a coal fired power generation of less than 30% in the next 5 years);



- Thermal coal mining: 30% exclusion threshold (% of the energy mix).

**II. Respect of UN Global Compact principles/Respect of Human Rights Norms/Respect of Labor Norms:**

- Military Armament - Controversial weapons;
- Tobacco;
- Spirits;
- Civilian firearms;
- Adult entertainment;
- Gambling.

In addition, at due diligence, the Investment Managers shall use the proprietary questionnaire that is fed both through an external ESG Data provider and the Investment Managers' sectorial analysis. The questionnaires are standardized and consider a materiality assessment that alters the weight for each sector, resulting in relatively comparable scores. An ESG Score based on the MSCI data and the proprietary data and analysis is granted to each investment before the Investment Managers decide to pursue or not an investment opportunity.

On a continuous basis (and at least annually), the Compartment will assess the compliance of the investment with the ESG score and report the evolution and any change thereof in the annual report against such score. The Investment Managers shall actively engage with the underlying issuers in maintaining and improving the ESG score by ensuring promotion of the E/S characteristics identified as being relevant to such issuer. The non-compliance by the issuer with the requirements imposed to it, the loss of the ESG Score and the non-attainment of the ESG objectives will lead to the divestment of the Compartment from such issuer.

- ***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?***

In the selection of the investments, the Investment Managers shall first apply the Exclusion Criteria. After these exclusions being applied, the Investment Managers shall apply to the retained investments – for each E/S characteristics that is being promoted - the ESG questionnaire as well as the ESG Scoring Process based on MSCI data and proprietary data and analysis. An ESG score shall be determined for each issuer based on their historical and current performance. For corporate issuers, those with an ESG score, as determined by the Investment Managers' ESG Scoring Process (based on MSCI and proprietary data and analysis), within the 75% of the investment universe will be considered as promoting environmental and social characteristics. For sovereign issuers, those Latin American and Caribbean countries with an ESG Score within the top 80% of all Emerging Markets countries as per the Investment Managers' ESG Scoring Process will be considered as promoting environmental and social characteristics. Also, the Investment Managers undertake to actively engage with the underlying issuer in order to maintain and improve the ESG score.

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

N/A

**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 ESG questionnaire used by the Compartment includes a section where questions on good governance are included and these scores impact the scoring for assessment of whether or not to proceed with making an investment in the issuer. The questionnaire covers the following good governance practices:

- I. Board Flag (%)
- II. Board independence (%)
- III. No Female Directors (%)
- IV. Female Rep. 30% of Directors (%)
- V. Accounting Flag (%)
- VI. Pay Flag (%)
- VII. Ownership & Control Flag (%)

The ESG scoring will take into account these percentages as follows:

**Board Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of board structure and effectiveness.

**Lack of Independent Board Majority (%):** The percentage of portfolio's market value exposed to companies lacking an independent board majority.

**No Female Directors (%):** The percentage of portfolio's market value exposed to companies with no female directors.

**Female Represent 30% of Directors (%):** The percentage of portfolio's market value exposed to companies where women comprise at least 30% of the board of directors

**Ownership and Control Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of ownership structure and risks.

**Pay Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of executive pay practices.

**No Pay Performance Link (%):** The percentage of portfolio's market value exposed to companies flagged for executive pay /performance gaps.

**Lack of Internal Pay Equity (%):** The percentage of portfolio's market value exposed to companies facing a lack of internal pay equity.

**Executive Pay Non-Disclosure (%):** The percentage of portfolio's market value exposed to companies flagged for executive pay non-disclosure.

**Accounting Flag (%):** The percentage of portfolio's market value exposed to companies ranking "below average" relative to global peers on MSCI's assessment of accounting aggressiveness.



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

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

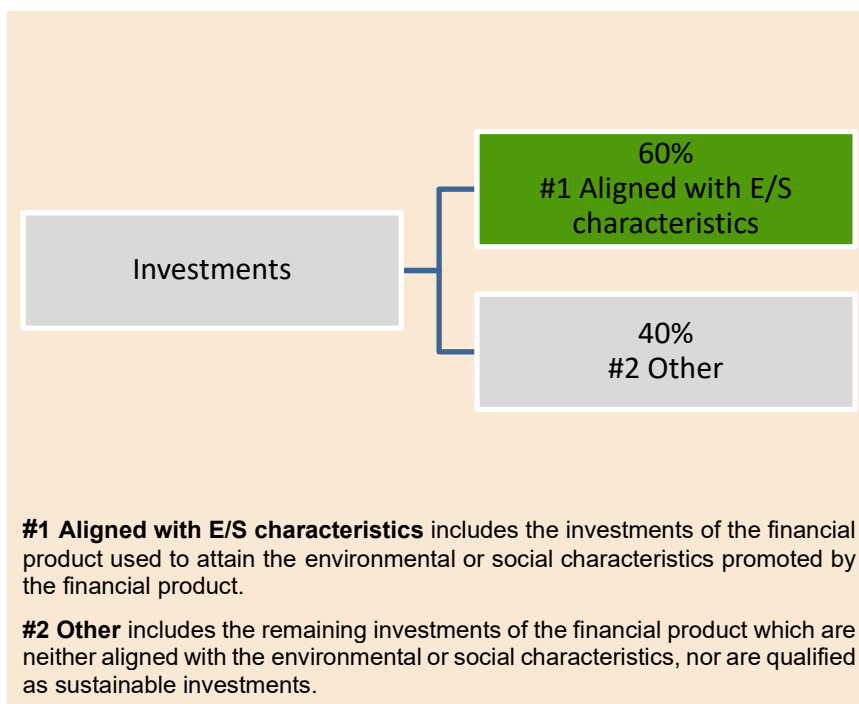
Based on the investment strategy, the Compartment seeks a minimum of 60% exposure to investments that are aligned with the E and S characteristics described therein.

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--> 60% #1 Aligned with E/S characteristics, 40% in #2 Other.

yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The Compartment uses derivatives for currency hedging purposes and in order to invest through such derivatives in the target investments and issuers and, thus to attain the environmental or social characteristics that such investments and issuers promote.



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

N/A

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>4</sup>?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

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

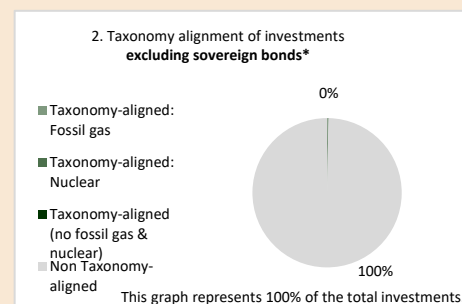
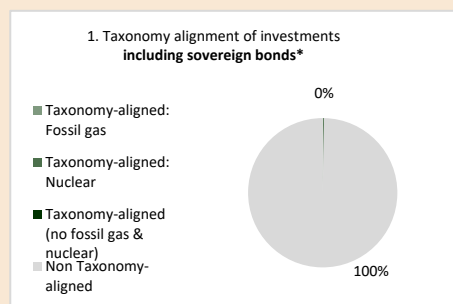
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<sup>4</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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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

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

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

N/A



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

N/A



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?

Investments included under ##2 Other are securities held by the Compartment in order to achieve its investment objective but are not deemed to promote E/S characteristics. These investments nevertheless are subject to the ESG due diligence previously described and the ESG questionnaire to assess good governance practices.

Cash and derivatives (other than derivatives that are used for currency hedging) will also be allocated under #2 Other and are used for liquidity purposes.

Cash and derivatives listed under #2 Other do not consider E/S safeguards.



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? N/A

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

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



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

Product specific information in accordance with Article 10 of SFDR and in alignment with Section 1 of the Commission Delegated Regulation (EU) 2022/1288 ((a) 'Summary'; (b) 'No sustainable investment objective'; (c) 'Environmental or social characteristics of the financial product'; (d) 'Investment strategy'; (e) 'Proportion of investments'; (f) 'Monitoring of environmental or social characteristics'; (g) 'Methodologies'; (h) 'Data sources and processing'; (i) 'Limitations to methodologies and data'; (j) 'Due diligence'; (k) 'Engagement policies'; (l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark') are shared via the Investor Portal.

Further information can be found here:

[https://www.lvamfunds.com/responsible\\_investment.html](https://www.lvamfunds.com/responsible_investment.html)

<https://www.lvamfunds.com/funds.html>

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## APPENDIX – PERFORMANCE FEE EXAMPLES

Illustration on performance fee calculation at Fund level

Days in cristalisation period	365
Performance fee rate	10%
Perf fee capped by:	1% of average net assets

Year	Launch/Start Date	Crystallisation Date	Number of shares '000	Average Net assets '000	NAV/share initial*	NAV/share End	Fund anual performance	Cumulative fund performance	Benchmark basis	Benchmark - MSCI EM LA Small Cap	Benchmark anual performance	Cumulative benchmark performance	Yearly performance - over/under performance in %**	Cumulative performance over reference period (5 years rolling)***	Conditions met for distribution of performance fee	Performance fee 10% ***** '000
1	01/01/2022	31/12/2022	20	1.000	50,00	53,00	6,00%	6,00%	100,00	109,00	9,00%	9,0%	-3,00%	-3,00%	NO	-
2	01/01/2023	31/12/2023	20	1.030	53,00	56,00	5,66%	12,00%	109,00	118,00	8,26%	18,0%	-2,60%	-5,60%	NO	-
3	01/01/2024	31/12/2024	20	1.060	56,00	59,00	5,36%	18,00%	118,00	124,00	5,08%	24,0%	0,27%	-5,32%	NO	-
4	01/01/2025	31/12/2025	20	1.120	59,00	62,10	5,25%	24,20%	124,00	130,00	4,84%	30,0%	0,42%	-4,91%	NO	-
5	01/01/2026	31/12/2026	20	1.153	62,10	66,30	6,76%	32,60%	130,00	136,00	4,62%	36,0%	2,15%	-2,76%	NO	-
6	01/01/2027	31/12/2027	20	1.189	66,30	70,50	6,33%	41,00%	136,00	142,00	4,41%	42,0%	1,92%	2,16%	YES	2,29
7	01/01/2028	31/12/2028	20	1.234	70,50	79,50	12,77%	59,00%	142,00	148,00	4,23%	48,0%	8,54%	13,30%	YES	10,54

\* Initial NAV adjusted by performance fees

\*\* Yearly performance is calculated as the difference between the NAV performance of the accounting period and the index performance

\*\*\* Performance from year 1 to year 5 is based on the cumulative performance between launch date and last crystallisation

\*\*\*\* Performance fee is 10% of the annual increase of the net asset value per Share above the annual performance of the MSCI EM LATIN AMERICA SMALL CAP limited to no more than 1% per year of the average net assets

## **LARRAINVIAL ASSET MANAGEMENT SICAV – ARTICLES OF INCORPORATION**

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### **SECTION I. – CORPORATE NAME – REGISTERED OFFICE – DURATION – CORPORATE OBJECT**

#### **Art 1. Corporate name**

There exists among the subscriber(s) and all those who subsequently become shareholders, a *société anonyme* in the form of a *Société d'investissement à capital variable* (SICAV), i.e. an open-ended investment company, denominated **LARRAINVIAL ASSET MANAGEMENT SICAV** (the “**Company**”).

#### **Art 2. Registered office**

The registered office of the Company is in Mamer in the Grand Duchy of Luxembourg. The Company may, by decision of the board of directors of the SICAV, open branches or offices in the Grand Duchy of Luxembourg or elsewhere. If allowed by law, and to the extent of this authorisation, the board of directors of the SICAV may also decide to transfer the registered office of the Company within the same municipality or to any other municipality in the Grand Duchy of Luxembourg and amend these articles accordingly.

Should the board of directors of the SICAV deem that extraordinary political or military events have occurred or are imminent that could compromise normal activity at the registered office or ease of communications with this office or from this office to parties abroad, it may temporarily transfer the registered office abroad until the complete cessation of these abnormal circumstances. Such a temporary measure shall have no effect on the nationality of the Company, which, notwithstanding the temporary transfer of the registered office, shall remain a Luxembourg company.

#### **Art 3. Duration**

The Company is created for an indefinite period. It may be dissolved by a resolution of the general meeting of shareholders in the same way as for an amendment to the Articles of Incorporation.

#### **Art 4. Object**

The Company's sole object is to invest the funds at its disposal in transferable securities, money market instruments and other liquid financial assets authorised in Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment (the “**Law of 2010**”), in order to spread the investment risks and enable its shareholders to benefit from earnings generated from the management of its portfolio. The Company may take any measures and carry out any transactions that it deems necessary for the accomplishment and development of its object in the broadest sense permitted under Part I of the Law of 2010.

### **SECTION II. - SHARE CAPITAL - CHARACTERISTICS OF SHARES**

#### **Art 5. Share capital**

The Company's share capital is represented by fully paid-up shares without par value. The company's capital is expressed in US Dollars and shall at all times be equal to the total net assets in US Dollars of all compartments comprising the Company, as defined in Article 13 of these Articles of Incorporation. The minimum share capital of the Company is one million two hundred and fifty thousand Euros (EUR 1,250,000.00) or the equivalent in another currency. The minimum share capital must be reached within six months starting from the registration of the Company.

#### **Art 6. Compartments and classes of shares**

Shares may, when decided by the board of directors of the SICAV, be from different compartments (which may be, on decision of the board of directors of the SICAV, denominated in different currencies) and the proceeds from the issue of shares in each compartment will be invested, in accordance with the investment policy decided by the board of directors of the SICAV, in accordance with the investment restrictions established by the Law of 2010 and from time to time by the board of directors of the SICAV.

The board of directors of the SICAV may decide, for any compartment, to create classes of shares, the features of which are described in the prospectus of the Company (the “**Prospectus**”).

The shares of one class may be distinguished from the shares of one or more classes by characteristics such as, among others, a particular fee structure, a distribution or a policy of hedging specific risks, that is determined by the board of directors of the SICAV. If classes are created, the references to the compartments in these Articles of Incorporation shall, to the extent required, be interpreted as references to these classes.



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Each whole share gives its holder the right to vote at the general meetings of shareholders.

The board of directors of the SICAV may decide to split or to reverse split the shares of a compartment or of a class of shares of the Company.

**Art 7. Form of shares**

The shares are issued without par value and are fully paid-up. Any share of any compartment and any class in said compartment may be issued either in registered form in the name of the subscriber, recorded by subscriber's registration in the shareholders' register. The subscriber's registration in the register may be confirmed in writing. No registered share certificate will be issued.

The shareholders' register shall be kept by the Company or by one or more individuals or legal entities that the Company designates for this purpose. The registration must indicate each registered shareholder's name, their place of residence or elected domicile, number of registered shares held. All transfers of registered shares between living persons or as the result of a death will be recorded in the shareholders' register.

If a named shareholder fails to provide the Company with an address, this may be reported in the shareholders' register, and the shareholder's address shall be presumed to be at the Company's registered office or at any other address defined by the Company, until another address has been provided by the shareholder. Shareholders may at any time request that the address recorded for them in the shareholders' register be changed by sending a written notice to the Company at its registered office or any other address indicated by the Company.

The named shareholder must inform the Company of any change in personal information contained in the shareholders register to allow the Company to update said personal information.

Shares may be issued in fractions of shares, to the extent allowed in the Prospectus. The rights attached to fractions of shares are exercised in proportion to the fraction held by the shareholder, except for the voting right, which can only be exercised for a whole number of shares.

The Company only recognises one shareholder per share. If there are several owners of one share, the Company shall be entitled to suspend the exercise of all the rights attached to it until a single person has been designated as being the owner.

**Art 8. Issue and subscription of shares**

Within each compartment, the board of directors of the SICAV is authorised, at any time and without limitation, to issue additional fully paid-up shares, without reserving a pre-emptive subscription right for existing shareholders.

If the Company offers shares for subscription, the price per share offered, irrespective of the compartment and class in which the share is issued, shall be equal to the net asset value of the share as determined pursuant to these Articles of Incorporation. Subscriptions are accepted on the basis of the price established for the applicable Valuation Day, as specified in the Prospectus. This price may be increased by fees and commissions, including a dilution levy, as stipulated in this Prospectus. The price thus determined will be payable within the normal deadlines as specified in the Prospectus and taking effect on the applicable Valuation Day.

Unless specified differently in the Prospectus, subscription requests may be expressed in number of shares or by amount.

Subscription requests accepted by the Company are final and commit the subscriber except when the calculation of the net asset value of the shares for subscription is suspended. The board of directors of the SICAV, however, may but is not required to do so, agree to a modification or a cancellation of a subscription order when there is an obvious error on the part of the subscriber on condition that the modification or cancellation is not detrimental to the other shareholders in the Company.

Shares are only issued on acceptance of a corresponding subscription order. Shares issued upon acceptance of a corresponding subscription order but for which all or part of the subscription price will not have been received by the Company shall be considered as shares issued on the Bank Business Day in Luxembourg following the applicable Valuation Day and the subscription price or the portion of the subscription price not yet received by the Company shall be considered as a receivable of the Company with respect to the subscriber concerned.

Subscriptions may also be made by contribution of transferable securities and other authorised assets other than cash, where authorised by the board of directors of the SICAV, which may refuse its authorisation at its sole discretion and without providing justification. Such securities and other authorised assets must satisfy the investment policy and restrictions defined for each compartment. They are valued according to the valuation principles specified in the Prospectus and these Articles of Incorporation. To the extent required by the amended Luxembourg Law of 10 August 1915 on commercial companies or by the board of directors of the SICAV, such contributions shall be the subject of a



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report drafted by the Company's independent authorised auditor. The expenses related to subscription by in-kind contribution shall not be borne by the Company unless the board of directors of the SICAV considers that the in-kind subscription is favourable to the Company, in which case all or part of the costs may be borne by the Company.

The board of directors of the SICAV can delegate to any director or to any other legal person approved by the Company for such purposes, the tasks of accepting the subscriptions and receiving payments for the new shares to issue.

All subscriptions for new shares must, in order to avoid being declared null and void, be fully paid up. The issued shares carry the same rights as the shares existing on the day of issue.

The board of directors of the SICAV may refuse subscription requests, at any time, at its sole discretion and without providing justification.

**Art 9. Redemption of shares**

All shareholders are entitled at any time to request the Company to redeem some or all of the shares they hold.

The redemption price of a share shall be equal to its net asset value, as determined for each class of shares, according to these Articles of Incorporation. Redemptions are based on the prices established for the applicable Valuation Day determined according to this Prospectus. The redemption price may be reduced by the Redemption fees, commissions and the dilution levy stipulated in this Prospectus. Payment of the redemption must be made in the currency of the class of shares and is payable in the normal deadlines, as set more precisely in the Prospectus and taking effect on the applicable Valuation Day, or on the date on which the share certificates will have been received by the Company, if this date is later.

Neither the Company nor the board of directors of the SICAV may be held liable for a failure to pay or a delay in payment of the redemption price if such a failure or delay results from the application of foreign exchange restrictions or other circumstances beyond the control of the Company and/or the board of directors of the SICAV.

All redemption requests must be submitted by the shareholder (i) in writing to the Company's registered office or to another legal entity designated by the Company for the redemption of shares or (ii) by requesting by any electronic means approved by the Company. The request must specify the name of the investor, the compartment, the class, the number of shares or the amount to be redeemed, and the payment instructions for the redemption price and/or any other information specified in the Prospectus or the redemption form available at the registered office of the Company or from another legal person authorised to process share redemptions.

Subscription requests accepted by the Company are final and commit the shareholder except when the calculation of the net asset value of the shares for redemption is suspended. However, the board of directors of the SICAV may, but is not required to do so, agree to modify or cancel a redemption request when there is an obvious error on the part of the shareholder that requested the redemption, on condition that the modification or cancellation is not detrimental to the other shareholders in the Company.

Shares redeemed by the Company shall be cancelled.

When agreed by the shareholders concerned, the board of directors of the SICAV may, on a case-by-case basis, decide to make in-kind payments, while complying with the principle of equal treatment of shareholders, by allocating to or for shareholders that request redemption of their shares, transferable securities from the portfolio of the compartment concerned, the value of which is equal to the redemption price of the shares. To the extent required by applicable laws and regulations or by the board of directors of the SICAV, all in-kind payments will be valued in a report prepared by the Company's independent authorised auditor and will be equitably conducted. The expenses related to redemptions by in-kind contribution shall not be borne by the Company unless the board of directors of the SICAV considers that the in-kind redemption is favourable to the Company, in which case all or part of the costs may be borne by the Company.

The board of directors of the SICAV can delegate to (i) any director or to (ii) any other legal person approved by the Company for such purposes the tasks of accepting the redemptions and paying the price for shares to redeem.

In the event of redemption and/or conversion requests in a compartment bearing on 10% or more of the net assets of the compartment or a threshold below 10% deemed critical by the board of directors of the SICAV, this latter may either:

- postpone the payment of the redemption price of such requests to a date at which the Company will have sold the necessary assets and it will have at its disposal the proceeds from such sales;
- postpone all or some of such requests to a later Valuation Day determined by the board of directors of the SICAV, when the Company will have sold the necessary assets, taking into consideration the interests of all shareholders and when it will have at its disposal the proceeds from such sales. These requests shall be treated with priority over any other request.

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In addition, the Company can postpone the payment of all requests for redemption and/or conversion for a compartment:

- in case anyone of the stock exchanges and/or other markets against which the compartment concerned is broadly exposed, in the opinion of the board of directors of the SICAV, is closed or;
- in case transactions on stock exchanges and/or other markets against which the compartment concerned is broadly exposed, in the opinion of the board of directors of the SICAV, is restricted or suspended.

If, following the acceptance and execution of a redemption order, the value of the remaining shares held by the shareholder in the compartment or in the class of shares falls below a minimum amount as may be determined by the board of directors of the SICAV for the compartment or the class of shares, the board of directors of the SICAV can rightfully believe that the shareholder has requested the redemption of all of its shares held in that compartment or class of shares. The board of directors of the SICAV can, in this case at its sole discretion, execute a forced redemption of the remaining shares held by the shareholder in the compartment or the class concerned.

**Art 10. Conversion of shares**

Subject to any restrictions set by the board of directors of the SICAV, shareholders are entitled to switch from one compartment or one class of shares to another compartment or another class of shares and to request conversion of the shares they hold in one compartment or one share class to shares belonging to another compartment or share class.

Conversion is based on the net asset values of the class of shares of the relevant compartment as determined in accordance with these Articles of Incorporation on the common Valuation Day set in accordance with the provisions of the Prospectus, taking into consideration any prevailing exchange rate between the currencies of the two compartments on the Valuation Day. The board of directors of the SICAV may set the restrictions that it deems necessary for the frequency of conversions. It may impose payment of conversion fees the amount of which it will reasonably determine.

Conversion requests accepted by the Company are final and commit the shareholder except when the calculation of the net asset value of the shares for conversion is suspended. The board of directors of the SICAV, however, may but is not required to do so, agree to a modification or a cancellation of a conversion request when there is an obvious error on the part of the shareholder that requested the conversion on condition that the modification or cancellation is not detrimental to the other shareholders in the Company.

All conversion requests must be submitted by the shareholder (i) in writing to the Company's registered office or to another legal entity designated by the Company for the conversion of shares or (ii) by requesting by any electronic means approved by the Company. The request must specify the name of the investor, the compartment, the class of shares held, the number of shares or the amount to convert, as well as the compartment and the class of shares to obtain in exchange and/or any other information specified in the Prospectus or the conversion form available at the registered office of the Company or from another legal person authorised to process share redemptions.

The board of directors of the SICAV can set a minimum threshold for conversion of each class of shares. Such a threshold may be defined in number of shares or in amount.

The board of directors of the SICAV may decide to allocate any fractions of shares generated by the conversion or pay a cash amount corresponding to these fractions to the shareholders requesting conversion.

Those shares which have been converted into other shares shall be cancelled.

The board of directors of the SICAV may delegate to any director or to any other legal person approved by the Company for such purposes the tasks of accepting the conversions and paying the price for shares to convert.

In the event of redemption and/or conversion requests in a compartment bearing on 10% or more of the net assets of the compartment or a threshold below 10% deemed critical by the board of directors of the SICAV, the board may either:

- postpone the payment of the redemption price of such requests to a date at which the Company will have sold the necessary assets and it will have at its disposal the proceeds from such sales;
- postpone all or some of such requests to a later Valuation Day determined by the board of directors of the SICAV, when the Company will have sold the necessary assets, taking into consideration the interests of all shareholders and when it will have at its disposal the proceeds from such sales. These requests shall be treated with priority over any other request.

In addition, the Company may postpone the payment of all requests for redemption and/or conversion for a compartment:

- in case anyone of the stock exchanges and/or other markets on which the compartment concerned is broadly exposed, in the opinion of the board of directors of the SICAV, is closed or;

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- in case transactions on stock exchanges and/or other markets on which the compartment concerned is broadly exposed, in the opinion of the board of directors of the SICAV, is restricted or suspended.

If, following the acceptance and execution of a conversion order, the value of the remaining shares held by the shareholder in the compartment or in a class of shares from which the conversion is requested falls below a minimum amount as may be determined by the board of directors of the SICAV for the compartment or the class of shares, the board of directors of the SICAV may rightfully believe that the shareholder has requested the conversion of all of its shares held in that compartment or class of shares. The board of directors of the SICAV may, in this case at its sole discretion, execute a forced conversion of the remaining shares held by the shareholder in the compartment of the class concerned in which the conversion is requested.

**Art 11. Transfer of shares**

All transfers of registered shares between living persons or as the result of a death will be recorded in the shareholders' register.

The transfer of registered shares will be executed by recording in the register following remittance to the Company of the transfer documents required by the Company including a written declaration of transfer provided to the shareholders' register, dated and signed by the transferor and the transferee or by their duly authorised representatives.

The Company may for registered shares, consider the person in whose name the shares are recorded in the shareholders' register as the owner of the shares and the Company will incur no liability towards third parties resulting from transactions on these shares and shall rightfully refuse to acknowledge any rights, interests or pretensions of any other person on these shares; these provisions, however, do not deprive those who have the right to request to record registered shares in the shareholders' register or request a change in the record in the shareholders' register.

**Art 12. Restrictions on the ownership of shares**

The Company may restrict, prevent or prohibit ownership of shares of the Company by any individual or legal entity, including by persons from the United States of America as defined hereinafter.

The Company may moreover issue restrictions that it deems necessary in order to make sure that no share of the Company is acquired or held by (a) a person who has violated the laws or requirements of any country or governmental authority, (b) any person whose situation, in the opinion of the board of directors of the SICAV, could lead the Company or its shareholders to incur a risk of legal, fiscal or financial consequences, that it would not have incurred or that it would not have otherwise incurred or (c) a person from the United States (each of these persons referred to in (a), (b) and (c) being defined hereinafter as a **"Prohibited Person"**).

In this regard:

1. The Company may refuse to issue shares and record share transfers if it appears that this issue or transfer would or could result in a Prohibited Person being granted share ownership.
2. The Company may request any person, included in the shareholders' register or requesting a shares' transfer to be recorded, to provide it with all the information and certificates that it deems necessary, accompanied by a sworn statement if appropriate, in order to determine whether these shares are or will be effectively owned by a Prohibited Person.
3. The Company may carry out a forced redemption if it appears that a Prohibited Person, either acting alone or with others, has ownership of Company shares. In this case, the following procedure shall be applied:
  - (a) The Company shall send a notice (hereinafter the "redemption notice") to the shareholder owning the shares or indicated in the shareholders' register as being the owner of the shares. The redemption notice shall specify the shares to be redeemed, the redemption price to be paid and the location where this price is to be paid to the shareholder. The redemption notice may be sent by registered letter to the shareholder at the shareholder's last known address or to the address recorded in the shareholders' register.

As soon as the offices are closed on the day specified in the redemption notice, the shareholder in question shall cease to be the owner of the shares specified in the redemption notice; for registered shares, the shareholder's name shall be removed from the shareholders' register.

- (b) The price at which the shares specified in the redemption notice shall be repurchased ( "redemption price") shall be the redemption price based on the net asset value of the shares of the Company (appropriately reduced as specified in these Articles of Incorporation) immediately preceding the redemption notice. From the date of the redemption notice, the shareholder in question shall lose all shareholders' rights.

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- (c) The payment shall be made in the currency determined by the board of directors of the SICAV. The redemption payment will be deposited by the Company for the shareholder in a bank, in Luxembourg or elsewhere, specified in the redemption notice, that will send it to the shareholder in question upon remittance of the certificate(s) indicated in the redemption notice. As soon as the redemption price has been paid under these conditions, no party with an interest in the shares mentioned in the redemption notice shall have any right over these shares or be able to take any action against the Company or its assets, with the exception of the right of the shareholder appearing as the owner of the shares to receive the redemption price (without interests) deposited at the bank upon delivery of the certificate(s) indicated in the redemption notice.
  - (d) The Company's use of the powers conferred in this article may not, under any circumstances, be contested or invalidated on the grounds that there is insufficient proof of the ownership of the shares by any person or that a share belonged to another person who the Company had not recognised when sending out the redemption notice, provided the Company acts in good faith.
4. The Company may refuse, at any general meeting of the shareholders, the voting right to any Prohibited Person and to any shareholder to whom a redemption notice has been sent for the shares indicated in the redemption notice.

The term "person from the United States of America", as used in these Articles of Incorporation means any expatriate, citizen or resident of the United States of America or of one of the territories or possessions under its jurisdiction, or persons who normally reside there (including the succession of any persons or companies or associations established or organised there). This definition may be amended if necessary by the board of directors of the SICAV and specified in the Prospectus.

If the board of directors of the SICAV is aware or reasonably suspects that a shareholder owns shares and does not meet the required conditions for ownership stipulated for the compartment or the class of shares in question, the Company may:

- either execute a forced redemption of the shares in question in accordance with the procedure for redemptions described above;
- or execute a forced conversion of shares to shares in another class within the same compartment for which the shareholder in question meets the conditions of ownership (provided that a class exists with similar characteristics concerning, *inter alia*, the investment objective, the investment policy, the currency, the frequency of calculation of the net asset value, the distribution policy). The Company will inform the shareholder in question about on this conversion.

**Art 13. Calculation of the net asset value of shares**

Regardless of the compartment and class in which a share is issued, the net asset value per share shall be determined in the currency chosen by the board of directors of the SICAV as a figure obtained by dividing the net assets of such compartment or such class on the Valuation Day defined in these Articles of Incorporation by the number of shares issued in that compartment and in that class.

**The valuation of the net assets of the different compartments shall be calculated as follows:**

The net assets of the Company consist of the Company's assets as defined hereinafter minus the Company's liabilities as defined hereinafter on the Valuation Day on which the net asset value of the shares is determined.

- I. The assets of the Company consist of:
- (a) all cash on hand or on deposit, including accrued and outstanding interest;
  - (b) all bills and notes due on demand, as well as accounts receivable, including proceeds from the sale of securities, the price of which has not yet been collected;
  - (c) all securities, units, shares, bonds, options' or subscriptions' rights, and other investments and securities that are owned by the Company;
  - (d) all dividends and distributions due to the Company in cash or securities insofar as the Company can reasonably have knowledge thereof (the Company may nevertheless make adjustments to account for fluctuations in the market value of transferable securities caused by practices such as ex-dividend or ex-right trading);
  - (e) all accrued and outstanding interest generated by the securities owned by the Company, unless this interest is included in the principal amount of these securities;

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- (f) the Company's incorporation expenses, insofar as these have not been amortised;
- (g) any other assets of any kind whatsoever, including prepaid expenses.

The value of these assets shall be determined as follows:

- (a) The value of cash on hand or on deposit, bills and notes due on demand, accounts receivable, prepaid expenses, dividends, and interest declared or due but not yet received consists of the nominal value of these assets, unless it is unlikely that this value will be received, in which event, the value shall be determined by deducting an amount which the Company deems adequate to reflect the accurate value of these assets.
- (b) The value of all transferable securities, money-market instruments and financial derivative instruments that are listed on a stock exchange or traded on another regulated market that operates regularly, and is recognised and open to the public, is determined based on the most recent available price.
- (c) In case of Company investments listed on a stock exchange or traded on another regulated market that operates regularly, is recognised and open to the public and traded by market makers outside the stock exchange on which the investments are listed or of the market on which they are traded, the board of directors of the SICAV may determine the main market for the investments in question that will then be evaluated at the last available price on that market.
- (d) financial derivative instruments not listed on an official stock exchange or traded on any another regulated operating market that is recognised and open to the public, shall be valued in accordance with market practices as may be described in greater detail in the Prospectus.
- (e) Money market instruments and fixed-interest securities, the residual maturity of which is less than one year, may be valued on the basis of amortised cost, a method that consists after purchase in taking into account a straight-line amortisation to arrive at the redemption price at the security's maturity.
- (f) The value of securities representative of an open-ended undertaking for collective investment shall be determined according to the last official net asset value per unit or according to the last estimated net asset value if it is more recent than the official net asset value, and provided that the Company is assured that the valuation method used for this estimate is consistent with that used for the calculation of the official net asset value.
- (g) To the extent that
  - any transferable securities, money market instruments and/or financial derivative instruments held in the portfolio on the Valuation Day are not listed or traded on a stock exchange or other regulated market that operates regularly and is recognised and open to the public or,
  - for transferable securities, money market instruments and/or financial derivative instruments listed and traded on a stock exchange or another market but for which the price determined pursuant to sub-paragraphs (b) is not, in the opinion of the board of directors of the SICAV, representative of the accurate value of these transferable securities, money market instruments and/or financial derivative instruments or,
  - for financial derivative instruments traded over-the-counter and/or securities representing undertakings for collective investment, the price determined in accordance with sub-paragraphs (d) or (f) is not, in the opinion of the board of directors of the SICAV, representative of the real value of these financial derivative instruments or securities representing undertakings for collective investment,

the board of directors of the SICAV estimates the probable realisation value prudently and in good faith.

- (h) Securities expressed in a currency other than that of the respective compartments shall be converted at the last known price. If such prices are not available, the currency exchange rate will be determined in good faith.
- (i) If the principles for valuation described above do not reflect the valuation method commonly used on specific markets or if these principles of valuation do not seem to be precise for determining the value of the Company's assets, the board of directors of the SICAV may set other principles for valuation in good faith and in accordance with the generally accepted principles and procedures for valuation.

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- (j) The board of directors of the SICAV is authorised to adopt any other principle for the evaluation of assets of the Company in the case in which extraordinary circumstances would prevent or render inappropriate the valuation of the assets of the Company on the basis of the criteria referred to above.
- (k) In the best interests of the Company or of shareholders (to prevent Market Timing practices for example), the board of directors of the SICAV may take any appropriate measure such as applying a method for setting the fair value in order to adjust the value of the assets of the Company, as more fully described in the Prospectus.

**II. The liabilities of the Company consist of:**

- (a) all borrowings, bills and other accounts payable;
- (b) all expenses, mature or due, including, if any, for the compensation of investment advisors, the investment managers, the Management Company, the Custodian Bank, the Central Administration, the domiciliation agent, representatives and agents of the Company;
- (c) all known liabilities, whether due or not, including all matured contractual liabilities payable either in cash or in assets, including the amount of dividends declared by the Company but not yet paid if the Valuation Day coincides with the date on which the determination is made of the person who is or shall be entitled to them;
- (d) an appropriate provision allocated for the subscription tax and other taxes on capital and income, accrued until Valuation Day and established by the board of directors of the SICAV, and other provisions authorised or approved by the board of directors of the SICAV;
- (e) all of the Company's other commitments of whatever nature, with the exception of those represented by the shares of the Company. To value the amount of these commitments, the Company will take into consideration all expenses payable by it, including fees and expenses as described in Article 31 of these Articles of Incorporation. To value the amount of these liabilities, the Company may take into account administrative and other regular or recurring expenses by estimating them for the year or any other period, and spreading the amount proportionally over that period.

**III. The net assets** attributable to all the shares of a compartment are constituted by the assets of the compartment minus the liabilities of the compartment at the Valuation Day on which the net asset value of the shares is determined.

Without prejudice to the applicable legal and regulatory provisions, the net asset value of shares will be final and committing for all subscribers, shareholders that have requested redemption or conversion of shares and the other shareholders of the Company.

If, after closing of markets on a given Valuation Day, a substantial change affects the prices on the market on which a major portion of the assets of the Company are listed or traded or a substantial change affects the debts and commitments of the Company, the board of directors of the SICAV may, but is not required to do so, calculate the net asset value per share adjusted for this Valuation Day taking into consideration the changes in question. The adjusted net asset value per share will apply for subscribers and shareholders that have requested redemption or conversion of shares and other shareholders of the Company.

If there are any subscriptions or redemptions of shares in a specific class of a given compartment, the net assets of the compartment attributable to all the shares of this class shall be increased or reduced by the net amounts received or paid by the Company as a result of these shares' subscriptions or redemptions.

**IV. The board of directors of the SICAV shall establish for each compartment a pool of assets that shall be attributed, as stipulated below, to the shares issued for the compartment concerned pursuant to the provisions of this article. In this regard:**

- 1. The proceeds from the issue of shares belonging to a given compartment shall be attributed to that compartment in the Company's books, and the assets, liabilities, income and expenses related to that compartment shall be attributed to that compartment.
- 2. If an asset is derived from another asset, this derivative asset shall be attributed in the Company's books to the same compartment as the asset from which it was derived, and on each revaluation of an asset, the increase or decrease in value shall be attributed to the compartment to which the asset belongs.

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3. When the Company has a liability that relates to an asset in a particular compartment or to a transaction conducted in regard to an asset of a particular compartment, the liability shall be attributed to that compartment.
4. If an asset or a liability of the Company cannot be attributed to a particular compartment, the asset or liability shall be attributed to all the compartments in proportion to the net values of the shares issued for the different compartments.
5. Following the payment of dividends to distribution shares belonging to a given compartment, the net asset value of the compartment attributable to these distribution shares shall be reduced by the amount of these dividends.
6. If several classes of shares have been created within a compartment in accordance with these Articles of Incorporation, the rules for allocation described above apply *mutatis mutandis* to these classes.

V. For the purposes of this article:

1. each share of the Company which is in the process of being redeemed in accordance with these Articles of Incorporation shall be considered as a share cancelled starting from the Bank Business Day in Luxembourg following the Valuation Day applicable to the redemption of that share and its price shall be considered as a liability of the Company;
2. each share to be issued by the Company in accordance with subscription requests received shall be processed as having been issued starting from the Bank Business Day in Luxembourg following the Valuation Day on which its issue price was determined, and its price shall be considered as being an amount due to the Company until such time as it has been received by the Company;
3. all investments, cash balances or other assets of the Company expressed in a currency other than the respective currency of each compartment shall be valued taking into account the latest exchange rates available; and
4. any purchase or sale of securities made by the Company shall be effective on the Valuation Day insofar as this is possible.

VI. To the extent and during the time that, among the shares corresponding to a specific compartment, shares of different classes shall have been issued and shall be in circulation, the value of the net assets of this compartment, established in accordance with the provisions of this article, shall be distributed between all the shares of each class.

If there are subscriptions or redemptions of shares in a specific class of a given compartment, the net assets of the compartment attributable to all the shares of this class shall be increased or reduced by the net amounts received or paid by the Company as a result of these shares' subscriptions or redemptions. At any given time, the net asset value of a share belonging to a particular compartment and class shall be equal to the amount obtained by dividing the net assets of this compartment attributable at the time to all the shares of this class by the total number of shares of this class issued and currently in circulation.

VII.

1. The board of directors of the SICAV may invest and manage all or part of the common asset pools created for one or more compartments (hereinafter referred to as "**Participating Funds**") when application of this formula is useful in consideration of the sectors of investment concerned. Any extended pool of assets ("**Extended Pool of Assets**") will first be created by transferring the money or (in application of the limitations referred to below) other assets from each of the Participating Funds. Subsequently, the board of directors of the SICAV may execute other transfers adding to the Extended Pool of Assets on a case-by-case basis. The board of directors of the SICAV may also transfer assets from the Extended Pool of Assets to the Participating Fund concerned. Assets other than liquidities may only be allocated to an Extended Pool of Assets when they belong to the investment sector of the Extended Pool of Assets concerned.
2. The contribution of a Participating Fund in an Extended Pool of Assets will be valued by reference to fictional units ("units") having a value equivalent to that of the Extended Pool of Assets. In the creation of an Extended Pool of Assets, the board of directors of the SICAV will determine, at its sole and complete discretion, the initial value of a unit, and this value being expressed in the currency of the board of directors of the SICAV deems appropriate and will be assigned to each unit of the Participating Fund having a total value equal to the amount of liquidities (or to the value of the other assets) contributed. The fraction of units, calculated as specified in the Prospectus, shall be determined by

dividing the net asset value of the Extended Pool of Assets (calculated as specified below) by the number of remaining units.

3. If liquidities or assets are contributed to or withdrawn from an Extended Pool of Assets, the assignment of units of the Participating Fund in question will, as the case may be, be increased or decreased by the number of shares determined by dividing the amount of the liquidities or the value of the assets contributed or withdrawn by the current value of one unit. Cash contributions may, for calculation purposes, be processed after reducing their value by the amount that the board of directors of the SICAV deems appropriate to reflect the taxes, transaction and subscription fees that may be incurred by the investment of the concerned liquidities. For cash withdrawals, a corresponding addition may be made in order to reflect the costs likely to be incurred upon the sale of such the transferable securities and other assets that are part of the Extended Pool of Assets.
4. The value of the assets, withdrawn from or contributed to, at any time the Extended Pool of Assets and the net asset value of the Extended Pool of Assets shall be determined, *mutatis mutandis*, in accordance with the provisions of Article 13, provided that the value of the assets referenced here above is determined on the day of said contribution or withdrawal.
5. The dividends, interests or other distributions having the character of an income received with respect to the assets belonging to an Extended Pool of Assets shall be immediately allocated to the Participating Fund, in proportion to the respective rights attached to the relevant assets of the Extended Pool of Assets at the time they are received.

**Art 14. Frequency and temporary suspension of the net asset value calculation, issues, redemptions and conversions of shares**

**I. Frequency of the net asset value calculation**

To calculate the per share issue, redemption and conversion price, the Company will determine the net asset value of shares of the relevant share class of each compartment for the day (defined as the “**Valuation Day**”) and in a frequency determined by the board of directors of the SICAV and specified in the Prospectus.

The net asset value of the classes of shares of each compartment will be expressed in the currency of the share class concerned.

**II. Temporary suspension of the net asset value calculation**

Without prejudice to any legal causes, the Company may suspend the calculation of the net asset value of shares and the subscription, redemption and conversion of its shares, generally or with respect to one or more specific compartments, if any of the following circumstances should occur:

- during all or part of a period of closure, restriction of trading or suspension of trading for the main stock markets or other markets on which a substantial portion of the investments of one or more compartments is listed, except during closures for normal holidays,
- when there is an emergency situation as a consequence of which the Company is unable to value or dispose of the assets of one or more compartments,
- in case of suspension of the calculation of the net asset value of one or more undertakings for collective investment in which a compartment has invested a major portion of its assets,
- when a service breakdown interrupts the means of communication and calculation necessary for determining the price or value of the assets or market prices for one or more compartments in the conditions defined in the first indent above,
- during any period in which the Company is unable to repatriate funds in order to make payments to redeem shares of one or more compartments or in which the transfers of funds involved in realising or acquiring investments or payments due for the redemption of shares cannot, in the opinion of the board of directors of the SICAV, be performed at normal exchange rates,
- in case of publication of (i) the notice for a general meeting of shareholders at which the dissolution and liquidation of the Company or compartments are proposed or of (ii) the notice informing the shareholders of the decision of the board of directors of the SICAV to liquidate one or more compartments, or to the extent that such a suspension is justified by the need to protect shareholders, (iii) of the meeting notice for a general meeting of the shareholders to deliberate on the merger of the Company or of one or more



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compartments or (iv) of a notice informing the shareholders of the decision of the board of directors of the SICAV to merge one or more compartments,

- the value of the assets or the debts and liabilities attributable to the Company or to the compartment in question, cannot be promptly or accurately determined,
- regarding a feeder compartment, its master UCITS temporarily suspends the redemption, reimbursement or subscription of its shares whether on its own initiative or on request of competent authorities, for a duration equal to that of the suspension imposed on the master UCITS,
- for all other circumstances, the lack of suspension could create for the Company, one of its compartments or shareholders, certain liabilities, financial disadvantages or any other damage that the Company, the compartment or its shareholders would not otherwise experience.

The Company will inform the shareholders of such a suspension of the calculation of the net asset value, for the compartments concerned, in compliance with the applicable laws and regulations and according to the procedures determined by the board of directors of the SICAV. Such a suspension shall have no effect on the calculation of the net asset value, or the subscription, redemption or conversion of shares in compartments that are not involved.

### **III. Restrictions applicable to subscriptions and incoming conversions into certain compartments**

A compartment may be closed definitively or temporarily to new subscriptions or to conversions applied for (but not for redemptions or outgoing conversions), if the Company deems that such a measure is necessary for the protection of the interests of existing shareholders.

## **SECTION III. - ADMINISTRATION AND MONITORING OF THE COMPANY**

### **Art 15. Directors**

The Company is managed by a board of directors of the SICAV composed of at least three members, who need not be shareholders. The directors are appointed by the general meeting of shareholders for a time that cannot exceed six years. All directors may be removed from office with or without a reason or be replaced at any time by a decision of the general meeting of shareholders.

Should a director position become vacant following death, resignation or for other reasons, the vacancy may be filled on a provisional basis in observance of procedures laid down by law. In this case, the general meeting of shareholders shall approve the final appointment at its next meeting.

### **Art 16. Meetings of the board of directors of the SICAV**

The board of directors of the SICAV may elect a chairman from among its members. It may also choose one or more vice-chairmen and appoint a secretary (who does not need to be a member of the board of directors of the SICAV). The board of directors of the SICAV meets on invitation of the chairman, if any, or failing this, of two directors. Meetings are called as often as the interests of the Company require and are held at the place designated in the meeting notice. Meeting notices may be made by any means including verbally.

The board of directors of the SICAV may only validly deliberate and give a ruling if at least half of its members are present or represented.

The meeting of the board of directors of the SICAV is chaired by the chairman of the board of directors of the SICAV if any, or, when absent, by one of the directors present chosen by the majority of the members of the board of directors of the SICAV present at the meeting of the board.

Any director may mandate, in writing, by fax, e-mail or any other means approved by the board of directors of the SICAV, including by any other means of electronic communication proving such proxy and authorised by law, another director to represent him at a meeting of the board of directors of the SICAV and vote therein at its location and place on the items on the agenda of the meeting. One director may represent several other directors.

The decisions are taken on the majority of the votes of directors present or represented. In the event of a tie vote, the person chairing the meeting has the tie-breaking vote.

In an emergency, directors may cast their vote on the items on the agenda by letter, fax, email or by any other means approved by the board of directors of the SICAV including by any other means of electronic communication proving such proxy and authorised by law.

All directors may participate in a meeting of the board of directors of the SICAV by telephone conference, video conference or by other similar means of communication that allows them to be identified. These means of

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communication must meet technical characteristics guaranteeing effective participation in the meeting of the board of directors of the SICAV, the deliberations of which are continuously retransmitted. The meeting held by such means of remote communication is deemed to take place at the registered office of the Company.

A resolution signed by all the members of the board of directors of the SICAV has the same value as a decision taken during a meeting of the board of directors of the SICAV. The signatures of directors may be placed on one or more copies of the same resolution. They may be approved by letter, fax, scan, telecopy or any other similar means, including any means of electronic communication authorised by law.

The deliberations of board meetings are recorded in minutes signed by all the board members present or by the chairman of the board or when absent by the director who chaired the meeting. Copies or extracts to be submitted for legal or similar purposes shall be signed by the chairman or managing director or two directors.

**Art 17. Powers of the board of directors of the SICAV**

The board of directors of the SICAV, in application of the principle of risk spreading, has the power to determine the general focus of management and the investment policy as well as the code of conduct to follow in the administration of the Company.

The board of direction will also set all the restrictions that shall be periodically applicable to the Company's investments, in accordance with Part I of the Law of 2010.

The board of directors of the SICAV may decide that the Company's investments are made (i) in transferable securities and money market instruments listed or traded on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and the Council of 21 April 2004 concerning the financial instruments markets, (ii) in transferable securities and money market instruments traded on another market in a Member State of the European Union that is regulated, operates regularly and is recognised and open to the public, (iii) in transferable securities and money market instruments admitted for official listing on a securities exchange in a country in Eastern or Western Europe, in Africa, in the American and Asian continents and in Oceania or traded on another market in the above-mentioned countries, on condition that such a market is regulated, operates regularly, and is recognised and open to the public, (iv) in newly issued transferable securities and money market instruments, provided that the conditions of issue include the commitment that the application for official listing on a securities exchange or on another above-mentioned regulated market has been submitted and provided that the application has been executed within one year following the issue; as well as (v) in any other securities, instruments or other securities in accordance with the restrictions determined by the board of directors of the SICAV in compliance with applicable laws and regulations referred to in the Prospectus.

The board of directors of the SICAV may decide to invest up to 100% of the net assets of each compartment of the Company in different transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union approved by the Luxembourg supervisory authority, including Singapore and Brazil or by international public institutions of which one or more Member States of the European Union are members, any member of the OECD and any other State considered as appropriate by the board of directors of the SICAV with respect to the investment objective of the compartment in question, provided that, in the event in which the Company decides to avail itself of this provision, it holds, for the compartment, securities belonging to at least six different issues and that the securities belonging to one single issue do not exceed 30% of the total amount of the net assets of the compartment concerned.

The board of directors of the SICAV may decide that the Company's investments are made in financial derivative instruments, including equivalent cash-settled instruments, traded on a regulated market as defined by the Law of 2010 and/or financial derivative instruments traded over-the-counter derivatives provided that, among others, that the underlying consists of instruments covered by Article 41(1) of the Law of 2010, in financial indices, interest rates, foreign exchange rates or currencies, in which the Company is allowed to invest according to its investment objectives, as laid down in the Prospectus.

As allowed by the Law of 2010 and by applicable regulations and in respect of the provisions in the Prospectus, a compartment may subscribe for, acquire and/or hold shares to issue or already issued by one or more other compartments of the Company. In this case and in accordance with the conditions laid down by applicable Luxembourg laws and regulations, any voting rights attached to these shares are suspended as long as they are held by the compartment in question. Moreover, as long as these shares are held by a compartment, their value shall not be taken into consideration in calculating the net assets of the Company for the purpose of verifying the minimum threshold of net assets imposed by the Law of 2010.

The board of directors of the SICAV may decide that the investments of a compartment are made in a manner that seeks to replicate the composition of an equities index or bond index provided that the index concerned is recognised

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by the Luxembourg supervisory authority as being adequately diversified, that it is a representative benchmark of the market to which it refers and is subject to appropriate publication.

In accordance with applicable Luxembourg laws and regulations, the board of directors of the SICAV may, when it deems necessary and to the broadest extent allowed by the applicable Luxembourg regulations but in accordance with the provisions in the Prospectus, (i) create a compartment qualified as either a feeder UCITS or a master UCITS, (ii) convert an existing compartment into a feeder UCITS or (iii) change the master UCITS for one of its feeder compartments.

Anything that is not expressly reserved for the general meeting of shareholders by law or by the Articles of Incorporation falls within the powers of the board of directors of the SICAV.

**Art 18. Company's commitment to third parties**

With respect to third parties, the Company shall be validly bound by the joint signature of two directors or the sole signature of any person to whom such powers of signature have been specially delegated by the board of directors of the SICAV.

**Art 19. Delegation of powers**

The board of directors of the SICAV may delegate powers of day-to-day management of the Company's affairs, either to one or more directors, or to one or more other agents that do not necessarily have to be shareholders of the Company.

**Art 20. Custodian Bank**

The Company shall sign an agreement with a Luxembourg bank, under the terms of which the bank shall carry out the functions of custodian of the Company's assets, in accordance with the Luxembourg Law of 2010.

**Art 21. Personal interest of the directors**

No contract or any transaction that the Company could enter into with any other company may be affected by or invalidated on account of one or more directors or representatives of the Company having an interest in such other company, or because such a director or representative of the Company serves as director, partner, manager, official representative or employee of such a company. Any director or representative of the Company who serves as a director, partner, manager, representative or employee of any company with which the Company has signed contracts or with which this director or representative of the Company is otherwise engaged in business will not, as a result of such affiliation and/or relationship with such other company, be prevented from deliberating, voting and acting upon any matters with respect to such contracts or other business.

Should a director or representative of the Company have a personal interest in conflict with that of the Company in any business of the Company subject to the approval of the board of directors of the SICAV, this director or representative of the Company must inform the board of directors of the SICAV of this conflict. This director or representative of the Company will not deliberate and will not take part in the vote on this business. A report thereof should be made at the next shareholders' meeting.

The previous paragraph does not apply when the decision of the board of directors of the SICAV or of the director concerns common transactions concluded in ordinary conditions.

The term "Personal Interest" as it is used here above will not apply to the relations, interests, situations or transactions of any type involving any entity promoting the Company or, any subsidiary company of that entity or any other company or entity determined solely by the board of directors of the SICAV as long as such personal interest is not considered as a conflict of interest in accordance with applicable laws and regulations.

**Art 22. Compensation of directors**

The Company may compensate any director or authorised representative and their successors, testamentary executors or legal administrators for reasonable expenses incurred by them in relation with any action, process or procedure in which they participate or are involved due to the circumstance of their being a director or authorised representative of the Company, or due to the fact that they held such a post at the Company's request in another company in which the Company is a shareholder or creditor. This compensation applies to the extent that they are not entitled to compensation by the other entity, except concerning matters for which they are ultimately found guilty of gross neglect or poor management in the context of the action or procedure. In the event of an out-of-court settlement, such an indemnity shall only be granted if the Company is informed by its independent legal counsel that the person to be indemnified is not guilty of such breach of duty. The above-described right to compensation will not exclude other individual rights of these directors and representatives of the Company.

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**Art 23. Monitoring of the Company**

In compliance with the Law of 2010, all aspects of the assets of the Company shall be subject to the control of an authorised independent auditor. The statutory auditor will be appointed by the general meeting of the shareholders. The authorised independent auditor may be replaced by the general meeting of the shareholders in conditions specified by applicable laws and regulations.

**SECTION IV. - GENERAL MEETING**

**Art 24. Representation**

The general meeting of shareholders represents all shareholders. It has the widest powers to order, carry out or ratify all acts relating to the operations of the Company.

The decisions of the general meeting of the shareholders are binding on all shareholders of the Company regardless of the compartment whose shares they hold. When the deliberation of the general meeting of shareholders has the effect of changing the respective rights of shareholders of different compartments, the deliberation shall, in compliance with applicable laws, also be deliberated by the compartments concerned.

**Art 25. General meetings**

All general meetings of the shareholders are convened by the board of directors of the SICAV.

The general meeting of the shareholders is convened in the prescribed times and in accordance with procedures laid down by law.

In conditions laid down by applicable laws and regulations, the meeting notice for any general meeting of the shareholders may specify that the conditions of quorum and majority required shall be determined with respect to shares issued and outstanding as of a certain date and time preceding the meeting ("**Date of Registration**"), considering that a shareholder's right to participate in a general meeting of shareholders and to exercise the right to vote attached to its share(s) shall be determined according to the number of shares held by said shareholder on the Date of Registration.

The annual general meeting of shareholders shall be held in the Grand Duchy of Luxembourg, at the place indicated in the meeting notice, on the first Friday of the month of May every year at 10.00 am, and for the first time in 2012. If this day is a public holiday, the general meeting of shareholders shall be held on the following Bank Business Day in Luxembourg.

The board of directors of the SICAV may in accordance with applicable laws and regulations decide to hold a general meeting of the shareholders at another date and/or other time or other location than those specified in the preceding paragraph, provided that the meeting notice indicates this other date, other time or other place.

Other general meetings of shareholders of the Company or of compartments may be held at the locations and on the dates indicated in the respective notices of these meetings. Shareholders' meetings of compartments may be held to deliberate on any matter that concerns only those compartments. Two or more compartments may be considered as one single compartment if such compartments are affected in the same manner by the proposals requiring approval by shareholders of the compartments in question.

Moreover, any general meeting of the shareholders must be convened such that it is held within one month, when shareholders representing one tenth of the share capital submit a written request to the board of directors of the SICAV indicating the items to include on the meeting agenda.

One or more shareholders, together owning at least ten percent of the share capital, may request the board of directors of the SICAV to include one or more items in the meeting agenda of any general meeting of the shareholders. This request must be sent to the registered office of the Company by registered letter at least five days before the meeting.

Any general meeting of the shareholders may be held abroad if the board of directors of the SICAV, acting on its own authority, decides that this is warranted by exceptional circumstances.

The business conducted at a general meeting of shareholders shall be limited to the points on the agenda and to matters related to these points.

**Art 26. Meetings without prior convening notice**

A general meeting of the shareholders may be held without prior notice whenever all the shareholders are present or represented and they agree to be considered as duly convened and confirm they are aware of the agenda items for deliberation.

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**Art 27.      Votes**

Each share gives the right to one vote regardless of the compartment to which it belongs and irrespective of its net asset value in the compartment in which it is issued. A voting right may only be exercised for a whole number of shares. Any fractional shares are not considered in the calculation of votes and quorum condition. Shareholders may have themselves represented at shareholders' general meetings by a representative in writing, by fax or any other means of electronic communication capable of proving this proxy and allowed by law. Such a proxy will remain valid for any general meeting of shareholders reconvened (or postponed by decision of the board of directors of the SICAV) to pass resolutions on an identical meeting agenda unless said proxy is expressly revoked. The board of directors of the SICAV may also authorise a shareholder to participate in any general meeting of shareholders by video conference or by any other means of telecommunication that allows to identify the shareholder in question. These means must allow the shareholder to act effectively in such a meeting, that must be retransmitted in a continuous manner to said shareholder. All general meetings of shareholders held exclusively or partially by video conference or by any other means of telecommunication are deemed to take place at the location indicated in the meeting notice.

All shareholders have the right to vote by correspondence, using a form available at the registered office of the Company. Shareholders may only use proxy voting instruction forms provided by the Company indicating at least:

- the name, the address or the official registered office of the shareholder concerned,
- the number of shares held by the shareholder concerned participating in the vote indicating, for the shares in question, the compartment and if any, of the class of shares, of which they are issued,
- the place, the date and the time of the general meeting of the shareholders,
- the meeting agenda,
- the proposals subject to the decision of the general meeting of the shareholders, as well as
- for each proposal, three boxes allowing the shareholder to vote for, against, or abstain from voting for any of the proposed resolutions by checking the appropriate box.

Voting forms that do not indicate the direction of the vote or abstention are void.

The board of directors of the SICAV may determine any other conditions that must be fulfilled by shareholders in order to participate in a general meeting of shareholders.

**Art 28.      Quorum and majority requirements**

The general meeting of shareholders deliberates in accordance with the prescriptions of the amended Luxembourg Law of 10 August 1915 on commercial companies.

Unless otherwise required by law or in these Articles of Incorporation, decisions of the general meeting of shareholders shall be taken by a majority of shareholders validly cast, regardless of the portion of capital represented. The votes expressed do not include those attached to shares represented at the meeting of shareholders that have not voted, have abstained, or have submitted blank or empty proxy voting forms.

**SECTION V. - FINANCIAL YEAR – DISTRIBUTION OF PROFITS**

**Art 29.      Financial Year and accounting currency**

The Financial Year shall begin on the January 1<sup>st</sup> each year and end on the December 31<sup>st</sup> of the same year.

The Company's accounts shall be expressed in the currency of the share capital of the Company as indicated in Article 5 of these Articles of Incorporation. Should there be multiple compartments, as laid down in these Articles of Incorporation, the accounts of those compartments shall be converted into the currency of the Company's share capital and combined for the purposes of establishing the financial statements of the Company.

In compliance with the provisions of the Law of 2010, the annual financial statements of the Company shall be examined by the independent authorised auditor appointed by the Company.

**Art 30.      Distribution of annual profits**

In all compartments of the corporate assets, the general meeting of shareholders, on the proposal of the board of directors of the SICAV, shall determine the amount of the dividends or interim dividends to distribute to distribution shares, within the limits prescribed by the Luxembourg Law of 2010. The proportion of distributions, income and capital gains attributable to accumulation shares will be capitalised.

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The board of directors of the SICAV may declare and pay interim dividends in relation to distribution shares in all compartments, subject to the applicable laws and regulations.

Dividends may be paid in the currency chosen by the board of directors of the SICAV at the time and place of its choosing and at the exchange rate in force on the payment date. Any declared dividend that has not been claimed by its beneficiary within five years of its allocation may no longer be claimed and shall revert to the Company. No interest will be paid on a dividend declared by the Company and held by it or by any other representative authorised for this purpose by the Company, at the disposal of its beneficiary.

In exceptional circumstances, the board of directors of the SICAV may, at its sole discretion, allow an in-kind distribution on one or more securities held in the portfolio of a compartment, provided that such an in-kind distribution applies to all shareholders of the compartment concerned, notwithstanding the class of share held by the shareholder concerned. In such circumstances, the shareholders will receive a portion of the assets of the compartment assigned to the class of shares in proportion to the number of shares held by the shareholders of that class of shares.

**Art 31. Expenses borne by the Company**

The Company shall be responsible for the payment of all of its operating expenses, in particular:

- fees and reimbursement of expenses to the board of directors of the SICAV;
- compensation of investment advisors, investment managers, the Management Company, the Custodian Bank, Central Administration, authorised representatives of the financial department, paying agents, independent authorised auditor, legal advisors of the Company as well as other advisors or agents which the Company may call upon;
- brokerage fees;
- the fees for the production, printing and distribution of the Prospectus, the key investor information document (“KIID”), and the annual and semi-annual reports;
- fees and expenses incurred in the set-up of the Company;
- taxes and duties, including the subscription tax and governmental rights related to its activity;
- insurance costs of the Company, its directors and managers;
- fees and expenses related to the Company’s registration and continued registration with government organisations and Luxembourg and foreign stock exchanges;
- expenses for publication of the net asset value and the prices of subscription and redemption or any other document including the expenses for the preparation and printing in all languages deemed useful in the interest of the shareholders;
- expenses related to the sales and distribution of the shares of the Company including the marketing and advertising expenses determined in good faith by the board of directors of the SICAV of the Company;
- expenses related to the creation, hosting, maintenance and updating of the Company’s Internet sites;
- legal expenses incurred by the Company or its Custodian Bank when acting in the interests of the Company’s shareholders;
- all exceptional expenses, including, but without limitation, legal expenses, interests and the total amount of all taxes, duties, rights or any similar expenses imposed on the Company or its assets.

The Company is a single legal entity. The assets of a given compartment shall only be liable for the debts, liabilities and obligations concerning that compartment. Expenses that cannot be directly attributed to a particular compartment shall be spread across all compartments in proportion to the net assets of each compartment and shall be charged in priority against the revenues of the compartments.

The incorporation fees of the Company may be amortised over a maximum of five years starting from the launch date of the first compartment, in proportion to the number of operational compartments, at that time.

If a compartment is launched after the launch date of the Company, the set-up expenses for the launch of the new compartment shall be charged solely to that compartment and may be amortised over a maximum of five years from the compartment’s launch date.

## **SECTION VI. - LIQUIDATION / MERGER**

### **Art 32. Liquidation of the Company**

The Company may be dissolved by a resolution of the general meeting of shareholders acting in the same way as for an amendment to the Articles of Incorporation.

In the case of the Company's dissolution, the liquidation shall be managed by one or more liquidators appointed in accordance with the Luxembourg Law of 2010, the amended Law of 10 August 1915 on commercial companies and the present Company's Articles of Incorporation. The net proceeds from the liquidation of each compartment shall be distributed, in one or more payments, to shareholders in the class in question in proportion to the number of shares they hold in that class. In respect of the principle of equal treatment of shareholders, all or part of the net liquidation proceeds may be paid in cash or in kind in transferable securities and other assets held by the Company. An in-kind payment will require the prior approval of the shareholder concerned.

Amounts not claimed by shareholders at the close of liquidation shall be consigned with the *Caisse de Consignation* in Luxembourg. If not claimed within the legally prescribed period, the amounts thus consigned shall be forfeited.

If the Company's share capital falls below two-thirds of the minimum capital required, the directors must refer the question of dissolution of the Company to a general meeting of shareholders, for which no quorum shall be required and which shall decide by a simple majority of the shares validly cast.

If the Company's share capital falls below a quarter of the minimum capital required, the directors must refer the question of the Company's dissolution to a general meeting of shareholders, for which no quorum shall be required; dissolution may be decided by shareholders holding one quarter of the shares validly cast.

The meeting notice must be made in such a manner that the general meeting of shareholders is held within forty (40) days of the assessment that the net assets have fallen below two-thirds or one-quarter of the minimum share capital.

### **Art 33. Liquidation of compartments or classes**

The board of directors of the SICAV may decide to liquidate a compartment or a class of the Company, in the case where (1) the net assets of the compartment or of the class of the Company are lower than an amount deemed insufficient by the board of directors of the SICAV or (2) when there is a change in the economic or political situation relating to the compartment or to the class concerned or (3) economic rationalisation or (4) the interest of the shareholders of the compartment or of the class justifies the liquidation. The liquidation decision shall be notified to the shareholders of the compartment or of the class and the notice will indicate the reasons. Unless the board of directors of the SICAV decides otherwise in the interest of the shareholders or to ensure egalitarian treatment of shareholders, the shareholders of the compartment or of the class concerned may continue to request redemption or conversion of their shares, taking into consideration the estimated amount of the liquidation fees.

In the case of a liquidation of a compartment and in respect of the principle of equal treatment of shareholders, all or part of the net liquidation proceeds may be paid in cash or in-kind in transferable securities and other assets held by the compartment in question. An in-kind payment will require the prior approval of the shareholder concerned.

The net proceeds of liquidation may be distributed in one or more payments. The net proceeds of liquidation that cannot be distributed to shareholders or legal claimant at the time of closure of the liquidation of the compartment or of the class concerned shall be deposited at the *Caisse de Consignation* on behalf of their beneficiaries.

In addition, the board of directors of the SICAV may recommend the liquidation of a compartment or of a class to the general meeting of the shareholders of this compartment or of this class. The general meeting of the shareholders will be held without a quorum requirement and the decisions taken will be adopted on simple majority of the votes expressed.

In the case of the liquidation of a compartment that would result in the Company ceasing to exist, the liquidation will be decided by a meeting of shareholders to which would apply the conditions of quorum and majority that apply for a modification of these Articles of Incorporation, as laid down in Article 32 above.

### **Art 34. Merger of compartments**

The board of directors of the SICAV may decide to merge compartments by applying the rules for merger of UCITS laid down in the Law of 2010 and its regulatory implementations. The board of directors of the SICAV may however decide that the decision to merge shall be passed to the general meeting of shareholders of the absorbed compartment(s). No quorum is required for this general meeting and the decisions shall be approved by simple majority of the votes validly cast.

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If, following the merger of compartments, the Company ceases to exist, the merger shall be decided by the general meeting of shareholders held in the conditions of quorum and majority required for amending these Articles of Incorporation.

**Art 35. Forced conversion of one class of shares to another class of shares**

In the same circumstances as those described in Article 33 above, the board of directors of the SICAV may decide to force the conversion of one class of shares to another class of shares of the same compartment. This decision and the related procedures are notified to the shareholders concerned by notice or publication in accordance with the provisions in the Prospectus. The publication will contain the information on the new class. The publication will be made at least one month before the forced conversion becomes effective in order to allow the shareholders to apply for redemption or conversion of their shares into other classes of shares of the same compartment or into classes of another compartment, without Redemption fees except for such fees if any that are paid to the Company as specified in the Prospectus, before the transaction becomes effective. At the end of this period, all remaining shareholders will be bound by the forced conversion.

**Art 36. Division of compartments**

In the same circumstances as those described in Article 33 above, the board of directors of the SICAV may decide to reorganise a compartment by dividing it into several compartments of the Company. The division of a compartment may also be decided by the shareholders of the compartment that may be divided at a general meeting of the shareholders of the compartment in question. No quorum is required for this general meeting and the decisions shall be approved by simple majority of the votes validly cast.

**Art 37. Division of classes**

In the same circumstances as those described in Article 33 above, the board of directors of the SICAV may decide to reorganise a class of shares by dividing it into several classes of shares of the Company. Such a division may be decided by the board of directors of the SICAV if needed in the best interest of the concerned shareholders. This decision and the related procedures for dividing the class are notified to the shareholders concerned by notice or publication in accordance with the provisions in the Prospectus. The publication will contain the information on the new classes thus created. The publication will be made at least one month before the division becomes effective in order to allow the shareholders to apply for redemption or conversion of their shares, without redemption or conversion fees, before the transaction becomes effective. At the end of this period, all remaining shareholders will be bound by the decision.

**SECTION VII. - AMENDMENTS TO THE ARTICLES OF INCORPORATION - APPLICABLE LAW**

**Art 38. Amendments to the Articles of Incorporation**

These Articles of Incorporation may be amended by a general meeting of shareholders subject to the quorum and majority conditions required under Luxembourg law. Any amendment to the Articles of Incorporation affecting the rights of shares belonging to a particular compartment in relation to the rights of shares belonging to other compartments, and any amendment to the Articles of Incorporation affecting the rights of shares in one class of shares in relation to the rights of shares in another class of shares, shall be subject to the quorum and majority conditions required by the amended Luxembourg Law of 10 August 1915 on commercial companies.

**Art 39. Applicable law**

For any points not specified in these Articles of Incorporation, the parties shall refer to and be governed by the provisions of the Luxembourg Law of 10 August 1915 on commercial companies and its amendments, together with the Law of 2010.