KAIROS International Sicav

Prospectus for an Umbrella Fund

KAIROS INTERNATIONAL SICAV

(incorporated with limited liability in the Grand Duchy of Luxembourg as a Société d'Investissement à Capital Variable under number B 119 723)

October 2023

The Board of Directors of KAIROS INTERNATIONAL SICAV, whose members' names appear in this Prospectus, is responsible for the information contained in this document. To the best of the knowledge and belief of the Board of Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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Introduction

All capitalised terms used in this Prospectus shall have the meanings given to them in the section "Glossary of Terms" unless the context requires otherwise.

This Prospectus comprises information relating to KAIROS INTERNATIONAL SICAV (the "Fund"). The Fund has adopted an "umbrella structure", which allows its capital to be divided into different portfolios of securities and other assets permitted by law with specific investment objectives and various risk or other characteristics (hereinafter referred to as the "Sub-Funds" and each a "Sub-Fund"). The Fund may issue different classes of shares ("Shares" and each a "Share") which are related to specific Sub-Funds established within the Fund.

Authorisation does not imply approval by any Luxembourg authority of the contents of this Prospectus or of any portfolio of securities held by the Fund. Any representation to the contrary is unauthorised and unlawful. In particular, authorisation of the Fund by the Luxembourg supervisory authority does not constitute a warranty by the Luxembourg supervisory authority as to the performance of the Fund and the Luxembourg supervisory authority shall not be liable for the performance or default of the Fund.

The most recent annual and semi-annual reports (the "Reports") are available at the registered office of the Fund and will be sent to investors upon request.

Starting as of 1 January 2023 and in accordance with Regulation (EU) 1286/2014, as amended, and the Commission Delegated Regulation (EU) 2017/653, as amended (collectively referred to as the "PRIIPs Regulation"), a key information document ("KID") will be published for each share class where such share class is available to retail investors in the European Economic Area ("EEA").

A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of Directive 2014/65/EU ("MiFID II") (referred to herein as a "Retail Investor").

A KID will be handed over to Retail Investors and professional investors, where shares are made available, offered or sold in the EEA, in good time prior to their subscription in the Fund. In accordance with the PRIIPs Regulation, the KIDs will be provided to Retail Investors and professional investors (i) by using a durable medium other than paper or (ii) at https://www.kairospartners.com in which case it can also be obtained, upon request, in paper form from the registered office of the Company free of charge.

KID is available for launched share classes of all the Sub-Funds. The prospectus and the KIDs are available on www.kairospartners.com. This Prospectus and the KIDs can also be obtained from the registered office of the Fund.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Luxembourg and are subject to changes therein.

No person has been authorised to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and the Reports, and, if given or made, such information or representations must not be relied on as having been authorised by the Fund. The delivery of this Prospectus (whether or not accompanied by any Reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Fund and the Sub-Funds have not changed since the date hereof.

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

The Shares of the Fund have not been and will not be registered under the United States Securities Act of 1933 and the Fund has not been and will not be registered under the United States Investment Company Act of 1940. Accordingly, Shares may not be offered, sold, transferred, or delivered, directly or indirectly, in the United States of America, its territories, possessions or areas subject to its jurisdiction (the "United States") or to any United States Person, except in compliance with the securities laws of the United States and of any state thereof in which such offer or sale is made. However, the Fund reserves the right to make a private placement of its Shares to a limited number or category of United States Persons.

"United States Person" (i) includes any "U.S. person", as defined in Rule 902 of Regulation S promulgated under the United States Securities Act of 1933 ("Securities Act"); and (ii) excludes any "Non-United States person", as defined in Rule 4.7 promulgated under the United States Commodity Exchange Act, that is not a "U.S. person" for purposes of Rule 902 of Regulation S. Regulation S currently provides that "U.S. person" means:

(a) (a) any natural person resident in the United States;
(b) any partnership or corporation organized or incorporated under the laws of the United States;
(c) any estate of which any executor or administrator is a U.S. person;

(d) any trust of which any trustee is a U.S. person;
(e) any agency or branch of a non-U.S. entity located in the United States;
(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
(h) any partnership or corporation if (i) organized or incorporated under the laws of any non-U.S. jurisdiction and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

"U.S. person" does not include:
- any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (i) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-U.S. law;
- any trust of which any professional fiduciary acting as trustee is a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- any agency or branch of a U.S. person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or
- the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

Rule 4.7 of the United States Commodity Exchange Act Regulations currently provides in relevant part that the following persons are considered "Non-United States persons":
(a) a natural person who is not a resident of the United States;
(b) a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal places of business in a foreign jurisdiction;
(c) an estate or trust, the income of which is not subject to United States income tax regardless of source;
(d) an entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being Non-United States persons; and
(e) a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside of the United States.

An investor who is considered a "non-U.S. Person" under Regulation S and a "Non-United States person" under Rule 4.7 may nevertheless be generally subject to income tax under U.S. federal income tax laws. Any such person should consult his or her tax adviser regarding an investment in the Fund, and investors will generally be asked to certify that they are not U.S. taxpayers.

If it comes to the attention of the Fund at any time that a United States Person unauthorized by the Fund, either alone or in conjunction with any other person, owns Shares, the Fund may compulsorily redeem such Shares.

This Prospectus may be translated into other languages. Where this Prospectus is translated into another language, the translation shall be as close as possible to a direct translation from the English text and any changes therefrom shall be only as necessary to comply with the requirements of the regulatory authorities of other jurisdictions. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail to the extent permitted by the applicable laws or regulations, and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Luxembourg.

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

The Sub-Funds' investments are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. It will be the policy of the Fund to maintain a diversified portfolio of investments so as to minimise risk.

The investments of a Sub-Fund may be denominated in currencies other than the base currency of that Fund. The value of those investments (when converted to the base currency of that Fund) may fluctuate due to changes in exchange rates. The price of Shares and the income from them can go down as well as up and investors may not realise their initial investment.

Attention is drawn to the section "Risk Warnings".

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

Information on the listing of the Shares on the Luxembourg Stock Exchange, if applicable, is disclosed in the main part of this Prospectus.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the register of shareholders of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund 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 Fund. Investors are advised to take advice on their rights.

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Directory

Registered Office	60, Avenue John F. Kennedy Luxembourg L-1855 Luxembourg, Grand-Duchy of Luxembourg
LEI Code	213800CDCHIOSLBSUC12
Board of Directors	Massimo Paolo Gentili *(Chairman)* John Christian Alldis Roberto Rosso
Management Company	Kairos Partners SGR S.p.A. Via San Prospero, 2 I-20121 Milan, Italy
Depositary, Domiciliary, Administrative, Registrar and Transfer Agent	BNP Paribas S.A., Luxembourg Branch 60, Avenue John F. Kennedy Luxembourg L-1855 Luxembourg, Grand-Duchy of Luxembourg
Auditors	KPMG Luxembourg, société coopérative 39, Avenue John F. Kennedy L-1855 Luxembourg, Grand-Duchy of Luxembourg

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Glossary of Terms

This glossary is intended to help readers who may be unfamiliar with the terms used in this Prospectus. It is not intended to give definitions for legal purposes.

Articles of Incorporation	The articles of incorporation of the Fund.
Benchmark Administrator	The entity specified next to the name of each benchmark in the relevant table contained in this prospectus, in its capacity as administrator, as defined in the Benchmarks Regulation.
Benchmarks Regulation	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.
Board of Directors	The board of directors of the Fund.
Business Day	A day on which banks in Luxembourg are open for business (24 and 31 December are not a Business Day).
Class	One class of Shares of no par value in a Sub-Fund.
Contract for difference ("CFD")	A derivative contract in which one counterparty (the "seller") pays the other (the "buyer") the difference between the current value of an asset and its value at contract time (if the difference is negative, the buyer will pay the seller).
Dealing Day	With respect to any Sub-Fund, any Valuation Day other than days during a period of suspension of dealing in Shares in that Sub-Fund on which Shares may be issued or redeemed.
Directors	The members of the Board of Directors for the time being and any successors to such members as they may be appointed from time to time.
DNSH	The Do No Significant Harm principle applicable to Sustainable Investment(s), implying that such investments must not significantly harm any environmental or social objective.
EEA	European Economic Area
Eligible Market	A stock exchange or Regulated Market in one of the Eligible States.
Eligible State	Any Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania.
ESG	Environmental, Social and Governance.
Fund	KAIROS INTERNATIONAL SICAV, an open-ended investment company organised as a société anonyme under the laws of Luxembourg and which qualifies as a société d'investissement à capital variable.
GHG Emissions	Greenhouse gas emissions as defined in Article 3 of Regulation (EU) 2018/842 of the European Parliament and of the Council.
Gross Asset Value	The Net Asset Value before deduction of the performance fee being calculated
Hybrid Debt	A hybrid security is a single financial security that combines two or more different financial instruments, e.g. debt and equity.

Institutional Investor	An institutional investor within the meaning of article 174 of the Law of 2010.
Law of 2004	The law of 12 November 2004 on the fight against money laundering and terrorist financing.
Law of 2010	The Luxembourg Law dated 17 December 2010, on undertakings for collective investment, as amended.
Member State	A member state of the European Union.
Mémorial	The *Mémorial, Recueil des Sociétés et Associations*.
Minimum Safeguards	As defined in the TR, "procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights".
Money Market Instruments	Instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	In relation to any Class of Shares in a Sub-Fund, the value of the net assets of that Sub-Fund attributable to that Class and calculated in accordance with the provisions of this Prospectus.
OECD	Organisation for Economic Cooperation and Development.
Perpetual Bond	A perpetual bond is a bond with no maturity date; it pays periodical coupons and may be structured by the issuer to be callable after a set period of time.
PAI	Principal Adverse Impacts as defined in the SFDR, i.e. "those impacts of investment decisions and advice that result in negative effects on sustainability factors" and listed in Annex I of the Regulation EU 1288/2022.
Regulated Market	A market within the meaning of Article 4(1)14. of directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
Related UCIs	UCITS and UCIs eligible for investment under the Law of 2010 which are managed by the Management Company or other entities related to it by common management or control or by a significant direct or indirect investment.
Shares	Shares of KAIROS INTERNATIONAL SICAV.
Shareholders	Holders of shares of the Fund.
SICAV	*Société d'Investissement à Capital Variable*.
SFDR	Sustainable Finance Disclosure Regulation, i.e. the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended.

SFTR	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.
SPAC	Special Purpose Acquisition Vehicle
Sub-Fund	A separate sub-fund of the Fund established and maintained in respect of one or more classes of shares to which the assets and liabilities and income and expenditure attributable or allocated to each such class or classes of shares will be applied or charged.
Sustainability Factors	Sustainability factors as defined in the SFDR, i.e. "environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters".
Sustainable Investment	a sustainable investment as defined in the SFDR, i.e. "an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance".
Total Return Swap	A derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.
TR or Taxonomy Regulation	Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, as amended.
Transferable Securities	Shares and other securities equivalent to shares, bonds and other debt instruments, any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding the techniques and instruments referred to in article 42 of the Law of 2010.
UCI	An Undertaking for Collective Investment.
UCITS	An Undertaking for Collective Investment in Transferable Securities authorized pursuant to Council Directive 2009/65/EC, as amended.
Valuation Day	The day as of which the Net Asset Value is determined.

Principal Characteristics of the Fund

The Fund was incorporated for an unlimited period on 28 September 2006 as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as an open-ended *société d'investissement à capital variable* with UCITS status. The Articles of Incorporation were published in the Mémorial of 9 October 2006. The Articles of Incorporation were last amended on 17 March 2020 by a notarial deed published in the Mémorial of 3 April 2020.

The Fund is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under Number B 119 723. The Fund was incorporated with an initial capital of 300,000 Euro. The Shares subscribed for by the founding Shareholders at the incorporation of the Fund were transferred to investors subscribing in the period during which the Shares were initially offered. The capital of the Fund shall be equal to the net assets of the Fund. The minimum capital of the Fund is 1,250,000 Euro and must be reached within six months from its date of incorporation.

The Fund is authorised by the Luxembourg supervisory authority as a UCITS under the Law of 2010.

The subscription proceeds of all Shares in a Sub-Fund are invested in one common underlying portfolio of investments. Each Share is, upon issue, entitled to participate equally in the assets of the Fund to which it relates on liquidation and in dividends and other distributions as declared for such Fund or Class. The Shares will carry no preferential or pre-emptive rights and each whole Share will be entitled to one vote at all meetings of Shareholders.

Administration, Management, Investment Management and Adviser(s)

Board of Directors

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

Massimo Paolo Gentili is a founding partner of Gentili and Partners, having previously been an equity partner of TMF Group. Mr. Gentili is an "Expert Comptable" in Luxembourg and Chartered Accountant and Certified Auditor in Italy and also holds a degree in Business Administration from Luigi Bocconi University in Milan. Mr. Gentili started his career at Coopers & Lybrand S.p.A., before becoming CFO of Gemofin Sim S.p.A. and Gemofid Fiduciaria S.p.A. and subsequently founding his own firm. Resident in Luxembourg, he holds several directorships and statutory audit appointments in financial intermediaries having in depth knowledge of the Italian, Luxembourg, English and Swiss markets. He has also published a number of papers and books on the financial industry.

John Christian Alldis is a Managing Director with Carne Group in Luxembourg. Prior to joining Carne in 2014, John held senior positions within Legg Mason International for 10 years, where he also served as director on the Legg Mason and Western Asset fund ranges in Luxembourg, Ireland as well the UK and Cayman Islands. John also served as director and Head of Operations for Legg Mason's Lux domiciled UCITS management company. Prior to that, John had covered different roles – spanning from operations and accounting through product management – with Citigroup for 20 years. John holds a science degree in Mathematics and Computing.

Roberto Rosso graduated in Economics at the University of Turin in 1998. He joined Kairos Partners SGR S.p.A. in 2005 and is currently Head of Middle/Back Office. Previously, he had spent four years in the operations department of an investment firm before joining Kedrios S.p.A., a company within the SIA Group providing software and outsourcing services for financial institutions.

Management Company

The Board of Directors has appointed Kairos Partners SGR S.p.A. to be responsible on a day-to-day basis under the supervision of the Board of Directors, for providing administration, marketing investment management and advice services in respect of all Sub-Funds pursuant to the provisions of a Management Company Services Agreement (the "Management Company Services Agreement"), with authority to sub-delegate in whole or in part its obligations. The Management Company Services Agreement is terminable on 90 days' written notice by either party.

However, the Board of Directors may terminate such agreements with immediate effect when this is in the interest of the Shareholders.

Kairos Partners SGR S.p.A. is a "società per azioni" (a joint stock company) incorporated under Italian law on 20 May 1999 and is authorised and regulated by the Bank of Italy and Consob. Kairos Partners SGR S.p.A. is ultimately controlled by Julius Baer Group Ltd. As at the date of this Prospectus, the share-capital of Kairos Partners SGR S.p.A. is 5,084,124 Euro.

As at the date of this prospectus, the board of directors of the management company is composed as follows:
- Rindi Fabrizio - Chairman
- Castelli Alberto - CEO
- Barbaro Federica
- Bertolli Gianluigi
- Bove Rocco
- Brera Guido Maria
- Di Blasi Giuseppe
- Melaccio Annunziata
- Miglietta Alberto Carlo Maurizio
- Pace Maurilio Maria
- Soldati Claudia

The Management Company, in line with applicable Italian laws and regulations, has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that are compliant with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company, the Articles of Incorporation of the Company and which do not interfere with the obligation of the Management Company to act in the best interests of the Company.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, will be available at www.kairospartners.com, in section About Us/Corporate Policies. A paper copy will be made available free of charge upon request at the Management Company's registered office.

The list of the funds managed by the Management Company is available at the registered office of the Management Company.

Investment Manager

The Investment Manager is the entity which performs the portfolio management service of a certain Sub-Fund as specified in Appendix I.

Depositary Bank

BNP Paribas SA, Luxembourg Branch is the depositary bank of the Fund under the terms of a written agreement between BNP Paribas Securities Services, Luxembourg Branch, the Management Company and the Fund (the "**Depositary**").

BNP Paribas, Luxembourg Branch is a branch of BNP Paribas. BNP Paribas is a licensed bank incorporated in France as a *Société Anonyme* (public limited company) registered with the *Registre du commerce et des sociétés Paris* (Trade and Companies' Register) under number No. 662 042 449, authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered address at 16 Boulevard des Italiens, 75009 Paris, France, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B23968 and supervised by the CSSF.

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Art 22.3 of the 2014/91/EU Directive), (ii) the monitoring of the cash flows of the Fund (as set out in Art 22.4 of the 2014/91/EU Directive) and (iii) the safekeeping of the Fund's assets (as set out in Art 22.5 of the 2014/91/EU Directive).
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 Fund are carried out in accordance with the Luxembourg Law or with the Fund's Articles of Incorporation,
(2) ensure that the value of Shares is calculated in accordance with the Luxembourg Law and the Fund's Articles of Incorporation,
(3) carry out the instructions of the Fund or the Management Company acting on behalf of the Fund or the Management Company, unless they conflict with the Luxembourg Law or the Fund's Articles of Incorporation,
(4) ensure that in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits;
(5) ensure that the Fund's revenues are allocated in accordance with its Articles of Incorporation.

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

Conflicts of interest may arise if and when the Management Company or the Fund maintains other business relationships with the 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 the Depositary or its affiliates act as agent of the Fund or the Management Company, or
- Selection of the Depositary 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;
  - 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 Fund, 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 Fund'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 Fund and the Shareholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Fund'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.

Where the Depositary has delegated the safekeeping of the assets to an entity within the same corporate group as the Depositary, it shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such group link(s) and shall take all reasonable steps to avoid conflicts of interests thereon by ensuring that its functions comply with the Regulation (EU) 2016/438 as applicable. Where such conflicts of interests cannot be avoided, the Depositary will ensure that are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Fund and its Shareholders.

A list of these delegates and sub-delegates for its safekeeping duties is available on the website

https://securities.cib.bnpparibas/app/uploads/sites/3/2021/11/ucitsv-list-of-delegates-sub-delegates-en.pdf.

Such list may be updated from time to time. Updated information on the Depositary's custody duties, delegations and sub-delegations, including a complete list of all (sub-)delegates and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

At the date of this Prospectus, there is no conflict of interest arising from any delegation of the functions of safekeeping of the assets of the Fund.

The Fund and the Management Company acting on behalf of the Fund 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 Fund. 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.

BNP Paribas 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 BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. The entities involved in the support of internal organisation, banking services, central administration and transfer agency service are listed in the website: https://securities.cib.bnpparibas/luxembourg/. Further information on BNP Paribas Luxembourg Branch international operating model linked to the Company, may be provided upon request by the Company and/or the Management Company.

Administrative, Domiciliation, Paying, Registrar and Transfer Agent

BNP Paribas, Luxembourg Branch is the administrative agent to the Fund. In its capacity as Administrative Agent, BNP Paribas, Luxembourg Branch is responsible for the general administrative functions required by Luxembourg law, including: the issue, sale and switching of Shares; the calculation of the Net Asset Value of the Shares in the Fund; the maintenance of accounting records and of the register of Shareholders; the Fund's domicile.

External Auditors

The auditing has been entrusted to KPMG Luxembourg, 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Investment Objectives and Policies

The purpose of the Fund is to offer investors the possibility to invest in a range of Sub-Funds representing a selection of markets and a variety of investments.

The investment objectives and policies of each Sub-Fund are set out in Appendix I.

The Fund may, at its discretion, alter investment objectives and policies provided that any material change in investment objectives and policies is notified to Shareholders at least one month prior to its effective date and this Prospectus is updated accordingly.

General Terms

Notwithstanding the terms provided in Appendix I, the Investment Manager may seek to enhance returns or reduce the risk of losses by holding part of the assets in cash and more generally by adjusting the Fund's exposure to certain asset classes, in the investors' interest, in response to adverse market and or economic conditions and/or expected volatility.

Within the scope of their investment policy, the Sub-Funds may invest in units of other undertakings for collective investment, which may be Related UCIs provided that their investment policies are consistent with those of the interested Sub-Fund. Investments in other undertakings for collective investment shall not exceed 10% of the assets of a Sub-Fund which is not described in Appendix I as a fund of funds.

The Sub-Funds shall bear no cost or expense for the subscription and redemption of the units of the Related UCIs purchased nor shall the investment in Related UCIs imply the duplication of management and/or performance fees.

Each Sub-Fund may hold cash.

Financial Derivative Instruments

Unless otherwise specified in Appendix I for a specific Sub-Fund, any Sub-Fund may use derivative financial instruments for the hedging of portfolio risk (e.g., currency rate, stock exchange risks, interest rate risk or credit risk), for a more efficient management of the portfolio, for investment or for other purposes, with a view to realising a profit in bull and bear markets. The purpose of the use of derivatives may therefore be to:

- hedge portfolio risk;
- reduce transaction costs;
- speed up the execution of transactions;
- enhance returns;
- take advantage of the possible greater liquidity of the derivatives market;
- gain short or long exposure to the performance of transferable securities or of portfolios of transferable securities.

For the purposes of selecting the counterparties to such transactions, the criteria set out in the following section "Techniques and Instruments" will be applied.

Total Return Swap Transactions

A Sub-Fund will enter into Total Return Swap transactions as provided in Appendix I for each specific Sub-Fund with the purpose of generating additional capital or income and/or for reducing costs or risks.

The counterparties to Total Return Swap transactions shall be approved and monitored by the Investment Manager. In no event shall the counterparty have discretion over the composition or the management of a Sub-Fund's portfolio or over the underlying of the transaction. For the purposes of selecting the counterparties to such transactions, the criteria set out in section "Techniques and Instruments" below will be applied.

Where a Sub-Fund enters into Total Return Swap transactions, the expected proportion of the net assets of such Sub-Fund which may be subject to such transactions shall be calculated as the sum of notionals of the derivatives used and is set out in the relevant section of Appendix I.

All revenues arising from Total Return Swaps will be returned to the relevant Sub-Fund, and the Management Company will not take any fees or costs out of such revenues additional to the fees provided for in section "FEES AND EXPENSES". Additional costs may be imposed by the counterparty based on market pricing; in such case, these will form part of the revenues or losses generated by the Total Return Swap and will be entirely allocated to the relevant Sub-Fund.

The rebalancing frequency of the index underlying Total Return Swaps is determined by the index provider and there is no cost to the Sub-Funds when the index itself rebalances. The rebalancing of any index underlying Total Return Swaps will not occur more often than once per month.

Dividend Policy

The Board of Directors does, in principle, not intend to make distributions to Shareholders and the income resulting from the investments realised by every Sub-Fund shall be fully capitalised.

However, the Board of Directors may decide to issue Classes of Shares entitled to dividend payments.

Where the dividend rate is in excess of the investment income of the Share Class, dividends will be paid out of the Share Class capital as well as from investment income and realised and unrealised capital gains. No distribution may however be made as a consequence of which the net assets of the Fund would fall below the minimum provided for by Luxembourg law.

Dividends not claimed within five years from their due date will lapse and revert to the relevant Sub-Fund.

Risk Warnings

Risks in Relation to Techniques and Instruments

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management and hedging purposes including, but not limited to, those described under the heading "TECHNIQUES AND INSTRUMENTS". However, should the Investment Manager's expectations in employing such techniques and instruments be incorrect, a Sub-Fund may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

Financial Derivative Instruments and Hedging Strategies

Investments of a Sub-Fund may be composed of securities with varying degrees of volatility and may comprise financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Sub-Fund concerned.

A Sub-Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments or, if disclosed in relation to any Sub-Fund, may be used as part of the principal investment policies. A Sub-Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Sub-Fund;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that

futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Fund;

5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of a Fund's assets will be segregated to cover its obligations.

Upon request by any Shareholder, information relating to the risk management methods employed for any Sub-Fund, including the quantitative limits that are applied and any recent developments in risk and yield characteristics of the main categories of investments, may be provided to such Shareholder.

OTC Transactions Risks

Securities traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than securities principally traded on securities exchanges. Such securities may be less liquid than more widely traded securities. In addition, the prices of such securities may include an undisclosed dealer mark-up which a Sub-Fund may pay as part of the purchase price.

Counterparty Risk

The Sub-Funds are subject to the risk of the insolvency of their counterparties (such as broker-dealers, futures commission merchants, banks or other financial institutions, exchanges or clearing houses).

The Sub-Funds may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit risk of their counterparties and their ability to satisfy the terms of such contracts. For example, the Sub-Funds may enter into swap arrangements or other derivative techniques, each of which expose the relevant Sub-Funds to the risk that the counterparty may default on its obligations to perform under the relevant contract in which case the Sub-Fund may sustain a loss on the transaction as a result. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Funds could experience delays in liquidating the positions and significant losses, including declines in the value of their investment during the period in which the Company seeks to enforce their rights, inability to realise any gains on their investment during such period and fees and expenses incurred in enforcing their rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

In situations where the Sub-Fund is required to post margin or other collateral with a counterparty, the counterparty may fail to segregate the collateral or may commingle the collateral with the counterparty's own assets. As a result, in the event of the counterparty's bankruptcy or insolvency, the Sub-Fund's collateral may be subject to the conflicting claims of the counterparty's creditors, and the Sub-Fund may be exposed *inter alia* to the loss of such margin or other collateral.

Market Volatility

Market volatility reflects the degree of instability and expected instability of the performance of the shares and the Sub-Fund's assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments, which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

Interest Rate Risk

A Sub-Fund could lose money due to a change in interest rates on the market. For example, the value of the investment in a fixed income bond may decline due to a rise in interest rates. This risk is greater the longer the maturity or the duration of the bond.

Operational Risk

The Fund's operations (including investment management) are carried out by the service providers mentioned in this Prospectus. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

Cyber Security Risk

The Management Company, the Board of Directors, the Fund and their affiliates and service providers are susceptible to operational and information security risks. While service providers have procedures in place with respect to information security, their technologies may become the target of cyber-attacks or information security breaches that could result in the unauthorized gathering, monitoring, release, misuse, loss or destruction of confidential and other information, or otherwise disrupt their operations or those of any third-party service providers. Such disruptions or failures could potentially result in financial losses, delays and

additional costs to the Fund or to one or more Sub-Funds.

Liquidity Risk

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on relevant exchanges or at all. Accordingly, the Fund's ability to respond to market movements may be impaired and a Sub-Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties. The Fund may not be able readily to dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

General economic and market conditions, such as currency and interest rate fluctuations, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international conflicts or political circumstances, as well as natural circumstances, may affect the price level, volatility and liquidity of investments, which could result in significant losses for a Sub-Fund.

Tax and Legal Risks

The tax consequences to the Sub-Fund and to shareholders, the ability of the Sub-Fund as a foreign investor to invest in the markets and to repatriate its assets including any income and profit earned on those assets and other operations of the Sub-Fund are based on existing regulations and are subject to change through legislative, judicial or administrative action in the various jurisdictions in which the Fund operates. There can be no guarantee that income tax legislation and laws or regulations governing the Fund's operations and investments will not be changed in a manner that may adversely affect the Fund.

There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a Sub-Fund may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

Loss or Insolvency at Clearing Firm

If a clearing firm utilised by or on behalf of the Fund were to become insolvent, the Fund could have some or all of the positions on accounts maintained with that firm closed out without its consent.

All of such positions may not be closed out under these circumstances, yet delays or other difficulties may be experienced in attempting to close out or exercise options positions. Widespread insolvency among clearing firms that clear options could also impair the ability of the entity, where applicable, responsible for overseeing ensuring settlement of trades in such options to honour all exercised options, in spite of the system of safeguards which it may have in place. Such widespread insolvency could result in substantial losses to the Fund.

Custody and Bankruptcy Risk

The assets of the Fund and its Sub-Funds shall be held in custody by the Depositary and its sub-custodian(s) and/or any other custodians and/or broker-dealers appointed by the Fund. Investors are hereby informed that cash and fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the relevant depositary, sub-custodian(s), other custodian/third party bank and/or broker dealer's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganization proceedings of the depositary, sub-custodian(s), other custodian/third party bank or the broker dealer as the case may be. Subject to specific depositor's preferential rights in bankruptcy proceedings set forth by regulation in the jurisdiction of the relevant depositary, sub-custodian(s), other custodian / third party bank, or the broker dealer, the Fund's claim might not be privileged and may only rank *pari passu* with all other unsecured creditors' claims. The Fund and/or its Sub-Funds might not be able to recover all of their assets in full.

Credit Default Swaps

When these transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that the Fund bears a counterparty risk in respect of the protection seller.

This risk is, however, mitigated by the fact that the Fund will only enter into credit default swap transactions with highly rated financial institutions.

Credit default swaps used for a purpose other than hedging, such as for efficient portfolio management purposes, may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction.

Finally, the valuation of credit default swaps may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

Total Return Swaps

When these transactions are used in order to hedge risk, they imply that the Fund bears a counterparty risk in respect of the protection seller. This risk is, however, mitigated by the fact that the Fund will only enter into Total Return Swap transactions with highly rated financial institutions.

Total Return Swaps used for a purpose other than hedging, such as for efficient portfolio management purposes, may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction.

The legal risk inherent to documentation is mitigated by the adoption of ISDA and CSA standard contracts.

Finally, the valuation of Total Return Swaps may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

Contracts for Difference ("CFD")

When these transactions are used in order to hedge risk, they imply that the Fund bears a counterparty risk in respect of the protection seller. This risk is, however, mitigated by the fact that the Fund will only enter into CFD transactions with highly rated financial institutions.

CFDs used for a purpose other than hedging, such as for efficient portfolio management purposes, may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction.

The legal risk inherent to documentation is mitigated by the adoption of ISDA and CSA standard contracts.

Finally, the valuation of CFDs may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

Credit Risk

A Sub-Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable to make timely principal and/or interest payments, or to otherwise honour its obligations. All securities are subject to varying degrees of credit risk, which may not always be wholly reflected in credit ratings. In addition, the Sub-Funds may purchase unrated securities, thus relying on the Investment Manager's credit analysis, possibly increasing or incurring other risks.

Currency Risk

Certain Sub-Funds may be exposed to currency exchange risk. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Sub-Fund's investments to diminish or increase. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments.

Equity Risk

Sub-Funds investing in common stocks and other equity securities are subject to market risk that historically has resulted in greater price volatility than experienced by bonds and other fixed income securities. These risks and the associated volatility would be expected to increase for a Sub-Fund as its allocation to equities increases. Small cap companies may have more risks than those of larger, more seasoned companies. They may be particularly susceptible to market downturns because of limited financial or management resources. Also, there may be less publicly available information about small cap companies. As a result, their prices may be more volatile.

Investing in Sector Based Sub-Funds

The Investment Manager will not normally, in the case of sector-based Sub-Funds, maintain a wide spread of investments in order merely to provide a balanced portfolio of investments. A more concentrated approach is taken than is normally the case in order to take greater advantage of successful investments. The Investment Manager considers that this policy involves a greater than usual degree of risk and, since investments are chosen for their long term potential, their prices (and therefore the Net Asset Value of the Fund) may be subject to above average volatility. Investors should be aware that there can be no assurance that the Sub-Funds' investments will be successful or that the investment objectives described will be attained.

Investing in Lower Rated or High Yield Bonds or Bonds Issued by Non-Rated Issuers

Some Sub-Funds may invest in lower rated, higher yielding debt bonds or bonds issued by non-rated issuers, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated bonds or bonds issued by non-rated issuers pay higher yields than more highly rated bonds to compensate investors for the higher risk. The lower ratings of such bonds or the fact that issuers of such bonds are non-rated reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the bonds. Accordingly, an investment in these Sub-Funds is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding bonds.

High yield bonds are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Fund may experience losses and incur costs.

Distressed Securities

Securities issued by an issuer that has become in default after the acquisition of the relevant securities by a Sub-Fund or is in a high risk of default, or the subject of bankruptcy proceedings are considered distressed securities. Investment in these types of securities involves a significant risk. A Sub-Fund's investment in securities of an issuer in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

Distressed securities frequently do not produce income while they are outstanding and may require the holders to bear certain extraordinary expenses in order to protect and cover its holding. Typically, an investment in distressed securities will be made when the investment manager believes either that the security is offered at a materially different level from what the investment manager believes to be its fair value, or that it is reasonably likely that the issuer will make an exchange offer or will be subject to a plan of reorganisation, however, there can be no assurance that such an exchange offer will be made, or such a plan of reorganisation will be adopted, or any securities or other assets received in connection with such an exchange offer or reorganisation plan will not have a lower value or income potential than anticipated when the initial investment was made.

Contingent Convertible Instruments

Some convertible securities are issued as so-called contingent convertible bonds (or "CoCo" bonds), where the conversion of the bond into equity occurs at stated conversion rate if a pre-specified trigger event occurs. This type of convertible became popular following the 2008-2009 financial crisis as a way of triggering conversion of debt to equity in the event of deteriorating financial condition to avoid bankruptcy. As such, issuers of such bonds may tend to be those that are vulnerable to weakness in the financial markets. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the bond was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss.

The investments in contingent convertible bonds may also entail the following risks (non-exhaustive list):

Coupon cancellation: for some contingent convertible bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Yield: investors have been drawn to the instruments as a result of the CoCo's often attractive yield which may be viewed as a complexity premium.

Valuation and Write-down risks: the value of contingent convertible bonds may need to be reduced due to a higher risk of overval-

uation of such asset class on the relevant eligible markets. Therefore, a Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

Call extension risk: some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

Capital structure inversion risk: contrary to classical capital hierarchy, contingent convertible bonds' investors may suffer a loss of capital when equity holders do not.

Conversion risk: it might be difficult for the investment manager of the relevant Sub-Fund 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 since the investment policy of the relevant Sub-Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

Unknown risk: the structure of contingent convertible bonds is innovative yet untested.

Industry concentration risk: investment in contingent convertible bonds may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.

Trigger level risk: 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 the relevant Sub-Fund to anticipate the triggering events that would require the debt to convert into equity.

Liquidity risk: in certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the seller may have to accept a significant discount to the expected value of the contingent convertible bond in order to sell it.

Asset Backed Securities

Some Sub-Funds may invest in asset backed securities ("Asset Backed Securities" or "ABS"), which are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. The investment in Asset Backed Securities cannot represent more than 20% of the relevant Sub-Fund's net assets, unless otherwise specifically indicated in the investment policy of a specific Sub-Fund.

The market value of a portfolio of Asset Backed Securities generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the portfolio and the underlying assets, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

Asset Backed Securities are often subject to extension and prepayment risks which may have substantial impact on the timing of their cashflows. As a result, no assurance can be made as to the exact timing of cashflows from the portfolio of securities. This uncertainty may affect the returns, liquidity and price volatility of the Sub-Fund.

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

Special Purpose Acquisition Vehicles ("SPACs")

The following considerations apply to Sub-Funds which invest in SPACs.

A SPAC is a listed company incorporated with the aim of bringing a company in which it will invest (target company) to the public market through a business combination. In practice, the target company will merge into the SPAC and will therefore find itself automatically listed.

The lifecycle of a SPAC is typically divided into three phases: the first phase is the IPO, whereby the SPAC is admitted to trading on a trading venue; in the second phase, the SPAC searches for a target company to acquire; the third phase consists of the business combination with the target company. During the second phase, which could last several months, the lack of events and news on the vehicle may lead to a low level of liquidity on the market, making it difficult to sell a position at fair prices.

SPACs are shell companies, and, unlike other private companies going public, they have no business track record, aside from the credentials of the SPAC management team; this may create difficulties in the valuation of SPACs.

There is the possibility that a SPAC will never find a suitable target company, or that a majority of shareholders will not approve a proposed target company; these instances may cause a depreciation of the investment.

Likewise, a depreciation of the investment may be caused by negative information regarding the target company made public after the approval of the business combination.

SPACs are related to corporate events such as IPOs and business combinations, which may involve high trading volumes, increased volatility, and drastic price movements, including the risk of a significant depreciation.

The ownership structure of a SPAC is designed in a way to ensure that the founders own a certain percentage of the company and, eventually, of the target company. The percentage may vary and may be dependent on the results of the SPAC over a certain period: this may lead to conflicts of interest between the investors and the founders whenever time horizons are not coincident. Moreover, founders' investment will consistently drop if an acquisition is not completed before SPAC expiration date: this may create an incentive to choose a target company, even if it is not worth it.

In addition, whenever the business combination takes place, since the founders will own a certain percentage of the target company, there is a dilution risk for the investors, whose capital is in fact used to finance the founders' stake in the target company. Dilution risk is also due to the fact that SPACs usually offer warrants in addition to common shares when going public. These warrants may be a source of a potential dilution for the investors, whenever exercised.

The legal structure of SPACs can be complex and their characteristics may significantly vary; the inherent legal risk is mitigated by the analysis conducted by the Investment Manager.

Investment in Emerging and Developing Markets

The following considerations apply to Sub-Funds which invest in emerging markets or newly industrialised countries.

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume. The markets may lack liquidity and exhibit high price volatility meaning that the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The market may also exhibit a high concentration of market capitalisation and trading volume in a small number of issuers, representing a limited number of industries, as well as a high concentration of investors and financial intermediaries. Brokers in developing countries typically are fewer in number and less capitalised than brokers in established markets.

At present, some stock markets in emerging market countries restrict foreign investment, which result in fewer investment opportunities for a Sub-Fund. This may have an adverse impact on investment performance of a Sub-Fund which has as its investment objective to invest substantially in developing countries.

Many emerging markets are undergoing a period of rapid growth and are less regulated than the world's leading stock markets and there may be less publicly available information about companies listed on such markets than is regularly published about companies listed on other stock markets. In addition, market practices in relation to settlement of securities transactions and custody assets in emerging markets can provide increased risk to emerging markets funds.

Although the Directors consider that a truly diversified global portfolio should include a certain level of exposure to the emerging markets, they recommend that an investment in any one emerging market Sub-Fund should not constitute a substantial portion of any investor's portfolio and may not be appropriate for all investors.

Investors should consult a professional adviser as to the suitability for them of an investment in any Sub-Fund investing in foreign and emerging markets. Subscriptions to Shares of any Sub-Funds investing in such markets should be considered only by investors who are aware of, and able to bear, the risks related thereto and such investments should be made on a medium- to long-term basis.

Investments in Russia

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia shareholdings are evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing shareholdings in Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, any Sub-Fund investing in Russia could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. However, in recognition of such risks, the Russian correspondent of the Depositary is following increased "due diligence" procedures. The correspondent has entered into agreements with Russian company registrars and will only permit investment in those companies that have adequate registrar procedures in place. In addition, the settlement risk is minimised as the correspondent will not release cash until registrar extracts have been received and checked. In addition, Russian debt securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default.

Investments in Other UCI or UCITS

Investors should note that there may be a duplication of subscription or redemption fees if the Fund invests in UCI or UCITS that are not Related UCIs.

Short Selling Risk

Although the Sub-Funds do not have the ability to enter into physical short positions of individual securities, some Sub-Funds may use derivatives to enter into synthetic short positions. While such positions give the potential for these Sub-Funds to benefit from falling market prices, it also opens these Sub-Funds up to the risk of potentially unlimited losses until such time as the derivative positions are closed out, as there is no upper limit on the price to which the underlying security may rise.

Long/Short Strategy

Certain Sub-Funds may employ long/short equity strategies which would seek to achieve capital appreciation by taking both long and, using derivative instruments, short positions in equities by purchasing equity securities which the Investment Manager considers to be undervalued or by selling equity securities which the manager considers to be overvalued.

The strategy being based on the Investment Manager's assessment of the value of a given investment, losses may occur where the assumptions are not verified or where market circumstances have changed.

Long and short positions are not necessarily related, therefore losses may be incurred both on the long and on the short positions of the portfolio.

Sustainability Risk

The Sub-Funds can be subject to sustainability risk, defined in the SFDR "as 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 investment".

As detailed in the Appendices for each Sub-Fund, the management of the portfolios of some Sub-Funds takes into account Sustainability Factors in the selection of investments, in addition to traditional financial considerations. A detailed description of how such Sustainability Factors are integrated in the management process of each Sub-Fund pursuant to SFDR, is contained in Appendix II.

With reference to the impacts of sustainability risks on the returns of the financial products, the Management Company expects that the assessment and monitoring activity of such risk may have a positive impact on the Sub-Funds performance in the long term. A proper management of sustainability risk allows to attach a higher value to issuers less subject to events that may significantly lower the economic outcome of the investment.

Anti-Money Laundering

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing, including in particular with the Law of 2004, and implementing regulations and CSSF circulars adopted from time to time.

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the identity of an applicant for Shares and where applicable the beneficial owner, on a risk sensitive basis, as well as the monitoring of the relationship on an on-going basis. Amendments to a Shareholder's details and payment instructions will only be effected on receipt of original documentation.

The Administrative Agent must verify the identity of the applicant and for that purpose any applicant applying in its own name or applying through companies, is obliged to submit to the Administrative Agent in Luxembourg all necessary information, which the Administrative Agent may reasonably require to verify. In the case of an applicant acting on behalf of a third party, the Administrator must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Administrative Agent prior to the occurrence of any change in the identity of any such beneficial owner. Where Shares of the Fund are subscribed through an intermediary acting on behalf of the investor, enhanced customer due diligence measures for this intermediary will be applied in accordance with the Law of 2004 on the fight against money laundering and terrorist financing and the CSSF regulation 12-02.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrative Agent will refuse to accept the application and the subscription monies relating thereto or may refuse to settle a redemption re-

quest until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrative Agent shall settle such redemption requests in exceptional circumstances only and reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds have been requested to be paid. The redemption proceeds will not be paid to a third party account unless exceptional circumstances exist and/or if the investor and/or owner of the account provides such information.

Each applicant for Shares will be required to make such representations as may be required by the Management Company in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

Based on article 3 (7) of the Law of 2004, the Fund as well as the Management Company is also required to apply precautionary measures regarding the assets of the Fund.

Transactions with Related Parties

In the course of its operations, the Fund may carry out transactions with related parties with which it has, directly or indirectly, an interest which is in conflict with that of the Fund, owing to the occurrence, whether simultaneously or at separate times, of one or more of the following circumstances and/or relationships:

- existence of a group relation between the Fund and the entity that has set up, manages and/or promotes the undertakings for collective investment the Fund has invested in;
- simultaneous performance of the management activities for several undertakings for collective investment and/or of collective portfolio or individual asset management services;
- investment in undertakings for collective investment or other financial instruments in which the assets of other undertakings for collective investment managed by the investment manager or of the Fund itself, or the assets of the Fund's group companies or managed by the investment manager, are or will be invested in; and
- presence in the issuer's governing and supervisory bodies of persons related to the Fund's group.

In order to mitigate any conflict of interest as above, the Fund shall:

- invest in units of related undertakings for collective investment exclusively if, based on the investment manager's evaluation, they are equivalent to or better than similar unrelated undertakings for collective investment;
- avoid duplication of fees if a Sub-Fund's assets are invested in Related UCIs;
- adopt specific organizational solutions to limit the occurrence of conflicts of interest;
- adopt specific procedures to prevent it from receiving economic benefits (goods or services) that are not helpful or necessary to assist the Fund in the performance of its collective portfolio management activity;
- adopt a code of conduct to prevent employees and collaborators from obtaining any form of remuneration from the issuers of the financial instruments the Sub-Fund invests in.

Issue of Shares

Under the Articles of Incorporation, the Directors have the power to issue Shares corresponding to different sub-funds each consisting of a portfolio of assets and liabilities. Within each Sub-Fund, the Directors may issue different Classes with different characteristics, such as different charging structures, different minimum amounts of investment, different currencies of denomination or different dividend policies.

Currently, the following Classes are available:

- Class C Shares, which are available (i) to all investors in jurisdictions where the payment of commissions is prohibited, and/or (ii) to financial intermediaries who invest in their own name and on behalf of their clients within a fee-based asset management or advisory agreement, and/or (iii) to other investors as determined by the Management Company;
- Class D Shares, which are available through selected distributors;
- Class P Shares, which are available to all investors;
- Class X and Y Shares, which are restricted to Institutional Investors that have entered into a separate agreement with a company within Kairos Group under which such investors have agreed on specific arrangements as to the payment of fees;

- Class Z Shares, which are available to both Retail Investors and Institutional Investors that have entered into a separate agreement with a company within Kairos Group under which such investors have agreed on specific arrangements as to the payment of fees.

For each category, Shares may be issued in different currencies of denomination – identified by the ISO code of the currency (e.g. EUR for Euro, USD for US Dollar, CHF for Swiss Franc, GBP for Pound Sterling, etcetera – no suffix means Euro) - and/or foresee the distribution of dividends – identified by the suffix "Dist". Unless provided differently in the relevant Appendix I, Distribution Shares are entitled to dividend payments which may be decided four times a year by the Board of Directors.

If it appears at any time that a holder of Shares of a Sub-Fund or Class reserved to Institutional Investors is not an Institutional Investor, the Board of Directors will convert the relevant Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors or compulsorily redeem the relevant Shares. The Board of Directors will refuse to give effect to any transfer of Shares and consequently refuse for any transfer of Shares to be entered into the register of Shareholders in circumstances where such transfer would result in a situation where Shares of a Sub-Fund or Class restricted to Institutional Investors would, upon such transfer, be held by a person not qualifying as an Institutional Investor. Investors should further refer to article 8 of the Articles of Incorporation.

For each class of Shares of a Sub-Fund, all investments which are not denominated in the denomination currency of the relevant class of Shares will generally be hedged back in such currency.

The investment manager is responsible for the hedging against the risk of exchange rate concerning all subscriptions, for each Class of Shares of the Sub-Fund, which are not denominated in the denomination currency of the relevant Class of Shares.

The Fund may issue further Sub-Funds or Classes. The prospectus of the Fund will be updated as new Sub-Funds or different Classes are issued.

Shares may normally be bought from or sold to the Fund at buying and selling prices based on the Net Asset Value of the relevant Shares. The subscription price is set out below under the heading "BUYING SHARES" and the redemption price is set out below under "SELLING SHARES".

Shares in the Fund are available in registered form without certificates.

Fractions of shares will be issued in denominations of up to three decimal places.

Fractions of shares will not carry any voting rights but will participate pro-rata in all distributions made.

The Directors have agreed that the Fund may not issue warrants, options or other rights to subscribe for Shares in the Fund to its Shareholders or to other persons.

The right is reserved by the Fund to reject any application in whole or in part. If an application is rejected, the application monies or balance thereof will be returned at the risk of the applicant and without interest as soon as reasonably practicable at the cost of the applicant.

Late trading and market timing is illegal as it violates the provisions of this Prospectus. The Board of Directors will use its reasonable endeavours to ensure that late trading and market timing cannot take place. The effectiveness of these procedures is closely monitored.

Buying Shares

The Shares of each Sub-Fund may be subscribed for at the Registrar and Transfer Agent as well as at other banks and financial institutions authorised for that purpose. Investors must fill out and sign the subscription form available at the above agents, banks and financial institutions; subscriptions may also intervene through alternative methods, where available, or other means as eventually provided for in the agreement for the provision of services in place between the investors and the distributors. The Fund may also accept subscriptions transmitted via electronic means. Subscriptions are subject to acceptance by the Board of Directors.

For funds of funds, subscription requests must be received by the Registrar and Transfer Agent no later than 1.00 p.m. (Luxembourg time) on the second Business Day preceding the applicable Valuation Day. For all other Sub-Funds, subscription requests must be received by the Registrar and Transfer Agent no later than 1.00 p.m. (Luxembourg time) on each Valuation Day. If equal treatment of Shareholders is ensured and market timing practices are avoided, the Management Company may waive the above deadlines for subscription requests.

Subscription requests received by the Registrar and Transfer Agent on a day which is not a Business Day or on a Business Day after the above set deadlines will be deemed to have been received on the next Business Day.

The subscription price of the Shares in each Sub-Fund corresponds to the Net Asset Value of the relevant Sub-Fund or, where the Equalisation Method is applied (see par. Performance Fee in FEES AND EXPENSES), to the Gross Asset Value determined as of the Valuation Day on which the subscription application is accepted (the "Subscription Price").

During the Initial Offering Period or if no Shares of a Class are in issuance on a given Valuation Day, the Shares will be offered at an initial price of 100 units of their currency of denomination.

The Subscription Price may be increased by taxes and stamp duties to be paid in the countries where the Shares are offered.

The Subscription Price, payable in the reference currency of the relevant Class, must be paid to the Depositary on the Business Day on which the order is placed. However, the Management Company may, in its absolute discretion, grant to investors the possibility of paying the Subscription Price within three Business Days following the applicable Valuation Day. If timely settlement is not made, the application for Shares may be deemed null and void and Shares previously allotted may be cancelled.

Shares are issued after the payment of the Subscription Price. The relevant confirmations of the registration of the Shares are delivered by the Registrar and Transfer Agent within five Business Days following the payment of the Subscription Price to the Depositary in favour of the Fund.

The Management Company may at any time, at its sole discretion, temporarily suspend, definitely cease or limit the issue of Shares to persons or companies who reside or are domiciled in certain countries and territories or exclude them from subscribing Shares, if such measure is considered appropriate to protect the Shareholders or the Fund.

Unless provided differently in Appendix I, initial applications are accepted for a minimum of 1,000 Euro for Class D, 15,000 Euro for Class P, 30,000 Euro for Class C and 3 million Euro for Class X, Class Y and Class Z, or equivalent in the currency of the Share Class. The Directors may set different levels for minimum investments or minimum transactions for investors in certain countries or for investments through any savings plan for investment in different categories of each Sub-Fund, if the Directors decide to introduce this facility.

For the same reasons, but always in accordance with the Articles of Incorporation, the Directors may provide for specific payment arrangements for investors in certain countries. In both cases an adequate description will be made available to investors in the relevant countries together with the prospectus.

The Management Company has the discretion, from time to time, to waive any applicable minimum subscription amounts. The relevant minimum subscription amount shall not apply where the Shares are subscribed for by companies within the Management Company's group or by third party investment managers approved by Kairos who are subscribing on behalf of their clients.

Shareholders are informed that their personal data or the information given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection, as amended.

By the subscription or purchase of Shares, the Shareholder accepts that the entries in the register of shareholders may be used by the Management Company for the purpose of shareholder servicing. Likewise, Shareholders agree by their subscription to or purchase of Shares that their telephone conversations with the Management Company may be recorded. In particular, the Management Company or the Fund may use telephone-recording procedures to record orders or instructions relating to transactions in Shares. By giving any instructions or orders by telephone, the investor is deemed to consent to the use of these tape recordings by the Fund or the Management Company in legal proceedings.

Selling Shares

The Shareholders may at any time exit the Fund by addressing to the Registrar and Transfer Agent or to other banks and financial institutions authorised to that end, an irrevocable application for redemption.

For funds of funds, redemption requests must be received by the Registrar and Transfer Agent no later than 1.00 p.m. (Luxembourg time) on the second Business Day preceding the applicable Valuation Day. For all other Sub-Funds, redemption requests must be received by the Registrar and Transfer Agent no later than 1.00 p.m. Luxembourg time on each Valuation Day. If equal treatment of Shareholders is ensured and market timing practices are avoided, the Management Company may resolve to waive the above deadlines for redemption requests.

Redemption requests received by the Registrar and Transfer Agent on a day which is not a Business Day or on a Business Day after the above set deadlines will be deemed to have been received on the next Business Day.

If, for any reason, the value of the holdings of a single Shareholder in Shares of a particular Sub-Fund (or, if more than one Class of

Shares have been issued in a Sub-Fund, of that Class) falls below the initial application minimum applicable for that Class, or the Euro equivalent of any other currency, then the Shareholder will at the discretion of the Fund be deemed to have requested the redemption of all of his Shares of that Sub-Fund (or, if applicable, of that Class). No redemption fee will be charged. However, the amount reimbursed may be reduced by costs, taxes and stamp duties which may be payable at the time.

The redemption price of Shares in a Sub-Fund corresponds to the net asset value of the relevant Sub-Fund determined as of the Valuation Day on which the application for redemption is received by the Registrar and Transfer Agent (the "Redemption Price"). Where the Equalisation Method is applied (see par. Performance Fee in FEES AND EXPENSES), the Redemption Price will be the Net Asset Value adjusted by the Equalisation Debit or the Equalisation Credit.

The Redemption Price will be paid in the reference currency of the relevant Class within 7 Business Days following the applicable Valuation Day. If in exceptional circumstances the liquidity of the portfolio of assets maintained in respect of the Shares being redeemed is not sufficient to enable the payment to be made within such a period, such payment shall be made as soon as reasonably practicable thereafter but without interest.

The Redemption Price may be higher or lower than the subscription price paid at the date of issue of the Shares in accordance with the evolution of the Net Asset Value.

If the sale (or switching) of Shares in a Sub-Fund on any Dealing Day exceeds 10% of the Shares in that Sub-Fund in issue that Dealing Day, the Fund may restrict the number of sales (and switches) to 10% of the total number of the Shares in that Sub-Fund in issue on that Dealing Day. To safeguard the interests of the Shareholders, this limitation will apply to all Shareholders who have requested the sale (or switching) of their Shares in a Sub-Fund on a Dealing Day pro-rata of the Shares in the Sub-Fund tendered by them for sale (or switching). Any sales (or switches) not carried out on such Dealing Day will be carried forward to the next Dealing Day(s)when they will be dealt with under the same limitations, and until all original applications have been processed. If selling (or switching) requests are carried forward, the Fund will inform the Shareholders affected thereby.

The redemption of the Shares may be suspended by decision of the Management Company, in the cases mentioned under the heading "TEMPORARY SUSPENSION OF CALCULATION OF THE NET ASSET VALUE" or by decision of the Luxembourg supervisory authority when required in the interest of the public or of the Shareholders and, in particular, when the legal, regulatory or contractual provisions concerning the activity of the Fund have not been complied with.

Switching of Shares

Any Shareholder may request the switch of all or, providing the value of the Shares to be switched equals or exceeds the relevant minimum subscription amount, part of his Shares of one Sub-Fund or Class into Shares of another Sub-Fund or Shares of another Class of the same Sub-Fund. Switches into Class X and Class Y Shares are only possible for those Institutional Investors which have entered into a separate agreement with a company within Kairos Group under which such investors have agreed on specific arrangements as to the payment of fees.

Shareholders must fill out and sign an irrevocable application for switching which has to be addressed with all the switching instructions to the Registrar and Transfer Agent or to other banks or financial institutions authorised to that end.
If, for any reason, the value of the holdings of a single Shareholder in Shares of a particular Sub-Fund (or, if more than one Class of Shares have been issued in a Sub-Fund, of that Class) falls below the relevant minimum initial subscription amount, then the Shareholder will at the discretion of the Fund be deemed to have requested the switching of all of his Shares of that Sub-Fund (or, if applicable, of that Class).

The switching is performed on the basis of the applicable Subscription and Redemption Prices of the Sub-Funds concerned calculated as of the first applicable common Valuation Day. However, due to the specific tax provisions applicable in Italy, different arrangements may apply for Italian tax-resident Shareholders.

For switching of Shares out of or into funds of funds, conversion requests must be received by the Registrar and Transfer Agent no later than 1.00 p.m. (Luxembourg time) on the second Business Day preceding the applicable Valuation Day. For switches between other Sub-Funds, conversion requests must be received by the Registrar and Transfer Agent at the latest at 1.00 p.m. Luxembourg time on each Valuation Day. If equal treatment of Shareholders is ensured and market timing practices are avoided, the Management Company may resolve to waive the above deadlines for conversion requests.

Conversion requests received by the Registrar and Transfer Agent on a day which is not a Business Day or on a Business Day after the above set deadlines will be deemed to have been received on the next Business Day.

Shares may not be converted if the determination of the Net Asset Value of one of the relevant Sub-Funds is suspended. Switching

requests received or deemed to be received by the Registrar and Transfer Agent on a day which is not a Business Day or on a Business Day after the relevant deadline will be deemed to have been received on the next Business Day.

The rate at which shares in a given Sub-Fund or Class (the "Original Sub-Fund") are switched to Shares of another Sub-Fund or Class (the "New Sub-Fund') is determined by means of the following formula:

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

A is the number of Shares to be allocated in the New Sub-Fund
B is the number of Shares of the Original Sub-Fund which are to be switched
C is the applicable Redemption Price of the Original Sub-Fund
D is the applicable Subscription Price of the New Sub-Fund
F is the applicable exchange rate (if any)

Fees and Expenses

Dilution Levy

The Management Company, having due regard to the interests of the Shareholders, may, at its sole discretion, decide to charge a dilution levy where net subscriptions or net redemptions in excess of 2% of a Sub-Fund's Net Asset Value are received on a Dealing Day or during a period of net recurring subscriptions or redemptions.

The dilution levy in favour of the relevant Sub-Fund and not exceeding 6% for the Funds of Funds and 2% for any other Sub-Fund of the applicable Net Asset Value of the Shares subscribed for or redeemed, may be charged if the Management Company, in its opinion, considers that the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected by potential bid/offer spreads in the Sub-Fund's investments and/or potential brokerage and dealing charges. In order to ensure equal treatment between Shareholders, the same rate of the dilution levy (if any) will be applied to all the investors subscribing for or redeeming (as appropriate) Shares in the relevant Sub-Fund on the same Dealing Day.

Other Charges

Management Fee

The Management Company will be paid a management fee calculated and accrued on each Valuation Day at such percentages (per annum) of the Net Asset Value of the relevant Class at the immediately preceding Valuation Day, plus subscriptions and minus redemptions received for the current Valuation Day.

No Management Fees are charged on the Net Asset Value of Class Z Shares. The Management Fees on Class Z Shares will be separately invoiced to investors based on a specific agreement with the Management Company.

See Appendix I for the fees applied to the Share Classes available for each Sub-Fund.

Distribution Fee

Certain Sub-Funds and Share Classes may be subject to an additional distribution fee as detailed in Appendix I. Unless otherwise provided, the distribution fee is calculated and accrued on each Valuation Day at such percentages (per annum) of the Net Asset Value of the relevant Class at the immediately preceding Valuation Day, plus subscriptions and minus redemptions received for the current Valuation Day.

Performance Fee

Performance fees may be due to the Management Company according to the criteria described below.

No performance fees are applied to Class D, Class Y and Class Z Shares.

See Appendix I for the fees applied for each Sub-Fund.

Where no Shares are in issue for a Share Class on a given day, the Subscription Price applied on that day will be considered as the initial price for that Share Class; where changes occur in the Prospectus in relation to the calculation method of Performance Fees

applicable for a Share Class, accrued Performance Fees will be crystallised and paid to the Management Company, and the Net Asset Value, or the Net Asset Value per Share as applicable, calculated on the last Valuation Day in which the old calculation method is applied, will be considered as the initial reference value for the computation of Performance Fees with the new calculation method. In relation to the calculation of Performance Fees, the methods described in the following paragraphs will apply. See Appendix I for the fees applied for each Sub-Fund.

The performance fees charged for each relevant Share Class will be indicated – in amount and percentage of the Net Asset Value – in the annual and half yearly reports.

If (i) Shares are redeemed or converted into other Shares of any Share Class of a Sub-Fund or of another existing Sub-Fund or of another fund during the financial year and a Performance Fee has accrued for those Shares, (ii) the assets of a Sub-Fund or of a Share Class are transferred to or merged with those of another Sub-Fund, or Share Class of another Sub-Fund within the Fund or within another fund, (iii) a Sub-Fund or of a Share Class are terminated, and a Performance Fee has accrued for those Shares , such Performance Fee will be crystallized respectively at the date of redemption or conversion, at the effective date of the merger or at the effective date of termination and it will be considered as payable.

However, no Performance Fee shall crystallise where a Sub-Fund or a Share Class of a Sub-Fund is merged with a newly established receiving fund or Sub-Fund with no performance history and with an investment policy that does not substantially differ from that of the merging Sub-Fund. In that case, the performance reference period of the merging Sub-Fund shall continue applying in the receiving fund or Sub-Fund.

Historical High Watermark Method

The Performance Fee will be calculated and accrued on each Valuation Day for each issued Share and fraction thereof on the difference – if positive – between the Gross Asset Value per Share and the historical high watermark, being the highest Net Asset Value per Share recorded on any preceding day since the first calculation date. Such difference, calculated net of all costs and liabilities, shall be considered gross of any dividend eventually paid during the same period.

The performance reference period equals the life of the Sub-Fund.

The amounts accrued are crystallised daily and paid within the thirtieth Business Day of each month.

Example:

Date	NAV per share	High Watermark	Perf fee (yes/no)	Perf fee basis per share	Perf fee amount per share (flat fee rate 10%)
T	100	-	-	-	-
T+5 days	105	100	yes	5	0.50
T+50 days	107	105	yes	2	0.20
T+1 year	104	107	no	-	0.00
T+2 years	106	107	no	-	0.00
T+3 years	108	107	yes	1	0.10
T+4 years	109	108	yes	1	0.10
T+4 years+10 days	110	109	yes	1	0.10
T+5 years	109	110	no	-	0.00
T+5 years+85 days	106	110	no	-	0.00
T+6 years	110	110	no	-	0.00
T+6 years+95 days	112	110	yes	2	0.20

*For the sake of simplicity, Gross Asset Value per Share and Net Asset Value per Share are assumed equal in the example.

Relative Method

The Performance Fee will be calculated on the difference – if positive – between the Gross Asset Value and the Reference Asset Value, being the Net Asset Value recorded on the most recent of (i) the last Valuation Day on which the Share Class paid a Performance Fee and (ii) the last Valuation Day of the fifth to last calendar year, or 100 Euros (or equivalent in the Share Class currency), if the Share Class existed for less than five years, calculated net of all costs and liabilities, taking into account any capital movements due to subscriptions, redemptions and dividend distributions and adjusted by the Benchmark evolution. On each Valuation Day, the accrual will be calculated as the difference between (i) the amount calculated in relation to the current Valuation Day and (ii) the result of the same calculation on the preceding Valuation Day, on the condition that any underperformance incurred during the performance reference period of the past 5 years has been recovered. The total amount accrued cannot be negative.

The amounts accrued during each calendar year are crystallised at the end of the year and paid within the thirtieth Business Day of the following year.

The past performance against the benchmark can be found at https://www.kairospartners.com/asset-management/sicav-and-ucits-funds/?lang=en.

Example:

Year	Start of perf fee period	NAV at start of perf fee period	Final GAV	Reference Asset Value	Over/ (underperf) of the year	Perf fee basis	Performance fee (yes/no)	Reset initial GAV/RAV	Perf fee	Final NAV
1	YE1	800,000	900,000	909,000	(9,000)	na	no	no	-	900,000
2	YE1	800,000	1,200,000	1,100,000	100,000	100,000	yes	yes	10,000	1,190,000
3	YE2	1,190,000	710,000	720,000	(10,000)	na	no	no	-	710,000
4	YE2	1,190,000	1,100,000	1,150,000	(50,000)	na	no	no	-	1,100,000
5	YE2	1,190,000	1,500,000	1,400,000	100,000	40,000	yes	yes	4,000	1,496,000
6	YE5	1,496,000	1,800,000	1,780,000	20,000	20,000	yes	yes	2,000	1,798,000

Equalisation Method

The Performance fee will be calculated and accrued on each Valuation Day for each issued Share and fraction thereof on the difference – if positive – between the Gross Asset Value per Share and the high watermark, being the highest Net Asset Value per Share on the last day of any calendar year, calculated net of all costs and liabilities.

The performance reference period equals the life of the Sub-Fund.

The amounts accrued during each calendar year are crystallised and paid within the thirtieth Business Day of the following year. In addition, the following adjustments ("Equalisation Adjustments") will apply:

(a) Deficit Subscriptions
For Shares issued at a Subscription Price lower than the high watermark, the Shareholder will be required to pay the Performance Fee due on the appreciation in the Net Asset Value of such Shares ("Equalisation Debit"). The Fund will therefore, at the end of each year, redeem such number of the Shareholder's Shares for an amount equivalent to the Performance Fee, until the high watermark is reached. An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid directly to the Management Company as a Performance Fee. The Fund will retain and will not be required to pay to the Shareholder the proceeds of the redeemed Shares. Where Shares are redeemed before the high watermark is reached, the Performance Fee due for those Shares will be deducted from the redemption proceeds and paid to the Management Company.

(b) Premium Subscriptions
For Shares issued at a Subscription Price greater than the high watermark for that Class, the Investor will be required to pay an additional sum equal to the Performance Fee per Share accrued (an "Equalisation Credit"). The Equalisation Credit will therefore appreciate or depreciate based on the performance of the Class. In the event of a decline in the Net Asset Value per Share, the Equalisation Credit due to the shareholder will reduce in line with the Performance Fee accrual for other Shares until the Equalisation Credit is exhausted. Subsequent appreciation in the value of the Shares will result in a recapture of any Equalisation Credit lost due to such reductions, but only to the extent of the previously lost Equalisation Credit up to the Subscription Price. At the end of each year, the Fund will issue and attribute to the Shareholder additional Shares for an amount equal to the lower of the Equalisation Credit paid at the time of the subscription net of any Equalisation Credit previously applied and the amount calculated by applying the performance fee rate on the excess of the Net Asset Value per Share over the high watermark. If the Shares are redeemed before the end of the year, the Shareholder will receive additional redemption proceeds equal to the remaining Equalisation Credit pertaining to the Shares redeemed.

The Equalisation Adjustments shall also apply in case of crystallization due to redemption or conversion of Shares, of the merger or the termination of the relevant Sub-Fund or Share Class of a Sub-Fund.

Example:

Deficit Subscription

Fund level					Investor level							
Year	Fund HWM	Year-end NAV	Fund perf fee (yes/no)	Fund perf fee basis	Subscription Price	Investor HWM	Investor perf fee (yes/no)	Investor perf fee basis per share	Shares redeemed (yes/no)	Eq debit used/shares redeemed	Eq debit carried fwd	Total fee basis per investor per share
					95						5	
1	100	97	no	-		95	yes	2	yes	2	3	2
2	100	99	no	-		97	yes	2	yes	2	1	2
3	100	98	no	-		99	no	-	no	-	1	-
4	100	101	yes	1		99	yes	1	yes	1	-	2
5	101	103	yes	2		101	yes	-	no	-	-	2
6	103	101	no	-		103	no	-	no	-	-	-

Premium Subscription

Fund level					Investor level							
Year	Fund HWM	Year-end NAV	Fund perf fee (yes/no)	Fund perf fee basis	Subscription Price	Investor HWM	Investor perf fee (yes/no)	Investor perf fee basis per share	Shares issued (yes/no)	Eq credit used/ shares issued	Eq credit carried fwd	Total fee basis per investor per share
					104						4	
1	100	102	yes	2			no	-	yes	-2	2	-
2	102	99	no	-		102	no	-	no	-	2	-
3	102	104	yes	2		102	no	-	yes	-2	-	-
4	104	105	yes	1		104	yes	-	no	-	-	1
5	105	103	no	-		105	no	-	no	-	-	-
6	105	106	yes	1		105	yes	-	no	-	-	1

Contingent Deferred Sales Charge

A Contingent Deferred Sales Charge ("CDSC") may be deducted from the redemption proceeds in case of early redemption of some Sub-Funds, as detailed in Appendix I. The CDSC will be calculated on the net asset value of the Shares being redeemed paid to the relevant Sub-Fund.

Operational Expenses

The maximum fees charged by the Depositary together with the Administrative Agent will not exceed 0.15% p.a. of the Fund's net assets and are payable quarterly in arrears, calculated on each Valuation Day and provisioned during the quarter in question whenever the Net Asset Value is calculated. The Administrative Agent is entitled to a minimum fee of 18,000 Euro. The central administration fee will be calculated on the basis of total month end net asset value and will be paid quarterly in arrears to the Administrative Agent by the Fund. The depositary fee will be calculated on the basis of total month end market value of assets under custody and the number of transactions, and will be paid quarterly in arrears to the Depositary by the Fund. The Administrative Agent and the Depositary are also entitled to receive reimbursement for any reasonable out-of-pocket expenses incurred in connection with the Fund and chargeable to the Fund and fees for other services as agreed from time to time.

The Domiciliary agent, Registrar and Transfer Agent, shall each be entitled to a maximum annual fee from the Fund corresponding

to 0.01% of the Fund's net assets, calculated as of each Valuation Day and provisioned during the month in question whenever the Net Asset Value is calculated. The fees shall be paid quarterly in arrears.

Research Costs

The Investment Manager is authorized to determine the broker or dealer to be used for each transaction for the Sub-Funds they manage.
The Investment Manager may use full service execution brokers when implementing their investment decisions on behalf of the Fund. Such brokers may, in addition to routine order execution, facilitate the provision of research to the Investment Manager.
Third party research will be purchased by the Investment Manager where they consider that such research will benefit the Sub-Funds. The purchase of third party research will be subject to appropriate controls and oversight by the Investment Manager, designed to ensure that the research charges are born in the interests of its clients and will include regularly assessing the quality of the research purchased. Where research charges are to be paid by the Sub-Funds, the Investment Manager will provide the Fund with information on the amount budgeted for initial research, the estimated research charge to be allocated to the Sub-Funds and the frequency with which it will be deducted.

Investment Restrictions

The Fund has the following investment powers and restrictions:

I. (1) The Fund may invest in:

a) Transferable Securities and Money Market Instruments admitted to or dealt in on an Eligible Market;

b) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;

c) units of UCITS and/or other UCIs, whether situated in a Member State or not, provided that:
- such other collective investment undertakings are authorised under laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority, CSSF, to be equivalent to that that laid down in European Union law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of directive 2009/65/EC, as amended;
- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs.

d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section I., financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

f) Money Market Instruments other than those dealt in on an Eligible Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or

- issued by an undertaking any securities of which are dealt in on Eligible Markets; or
- issued or guaranteed by an establishment subject to prudential super¬vision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities or Money Market Instruments other than those referred to under (I) (1) above.

II. The Fund may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of the net assets of any Sub-Fund for treasury purposes or in case of unfavourable market conditions.

The aforementioned 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, for example in highly serious circumstances such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008. A Sub-Fund may also hold, on a temporary basis and for defensive purposes, up to 100% of its net assets in cash.

III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities or Money Market Instruments issued by the same issuing body.

(ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund, where this would lead to investment of more than 20% of its assets in a single body, any of the following:
- investments in Transferable Securities or Money Market Instruments issued by a single body;
- deposits made with the same body and/or;
- exposure arising from OTC derivative transactions undertaken with the same body.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.

d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% in respect of qualifying debt securities 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 that were issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

e) The Transferable Securities and Money Market Instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in Transferable Securities or Money Market Instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

f) Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities or agencies, a non-Member State as acceptable by the CSSF, including but not limited to, the OECD member states or Singapore or Brazil or by public international bodies of which one or more Member States are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.

IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner.

b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Eligible Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

V. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

b) The Fund may acquire no more than:
- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

c) These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

These provisions are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State complies with the limits laid down in paragraph III., V. and VI. a), b), c).

VI. a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph (I) c), provided that no more than 20% of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI.

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

b) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

c) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.

d) The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI

concerned, all compartments combined.

VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a Transferable Security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans;

b) The Fund may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Fund from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. c), e) and f) which are not fully paid, and (ii) performing permitted securities lending activities, that shall not be deemed to constitute the making of a loan.

c) The Fund may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

d) The Fund may not acquire movable or immovable property.

e) The Fund may not acquire either precious metals or certificates representing them.

IX. a) The Fund needs not comply with the limits laid down in this section when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.

b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund 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 interest of the Shareholders.

c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

X. A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "Target Sub-Fund"), without the Fund being 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, under the condition however that:

- the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund; and
- no more than 10% of the assets that the Target Sub-Fund whose acquisition is contemplated, may, according to its investment policy, be invested in units of other UCITS or other UCIs; and
- the Investing Sub-Fund may not invest more than 20% of its net assets in units of a single Target Sub-Fund; and
- voting rights, if any, attaching to the units of the Target Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 2010.

The Fund will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

Risk Management Process

The Management Company on behalf of the Fund will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company on behalf of the Fund will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument.

The Management Company will calculate the global exposure of each Sub-Fund by using either the Value-at-Risk (VaR) methodology or the "commitment approach" depending on its own assessment of the risk profile of the relevant Sub-Fund resulting from its investment policy (including but not limited to its potential use of financial derivative instruments and the features thereof) in accordance with the relevant European and/or Luxembourg applicable laws and/or regulations. The Management Company has determined that the Fund will, as a default, use the commitment approach for each Sub-Fund unless otherwise provided in the relevant Appendix I in relation to a specific Sub-Fund.

The commitment approach is a methodology which intends to quantify the maximum commitment to financial derivative instruments by converting the positions on derivative financial instruments into equivalent positions on the underlying assets. The total commitment is limited to 100% of the total net value of the relevant Sub-Fund's portfolio.

In case the absolute Value-at-Risk (VaR) approach is used for a specific Sub-Fund, the leverage ratio of the relevant Sub-Fund will be calculated by using the sum of notionals and the commitment approach.

The Value-at-Risk (VaR) is a statistical model which intends to quantify the maximum potential loss at a given confidence level (probability) over a specific time period under 'normal' market conditions. The leverage ratio measures in particular the usage of financial derivatives within the portfolio.

The commitment or VaR calculation, the leverage ratio calculation, the back-testing of the VaR model, as well as exposure limits on counterparties and issuer concentration shall comply at all times with the rules set forth in the latest relevant European and/or Luxembourg applicable laws and/or regulations. For details in relation to the methods used by each Sub-Fund to calculate the global exposure and the leverage ratio, please refer to the relevant section of the heading "INVESTMENT OBJECTIVES AND POLICIES".

Techniques and Instruments

To the maximum extent allowed by, and within the limits set forth in the Luxembourg regulations, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the Law of 20 December 2002 relating to undertakings for collective investments, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments and of (iii) ESMA Guidelines 2012/832 adopted by ESMA concerning ETFs and other UCITS issues as also specified within CSSF Circular 14/592 (as the foregoing may be amended or replaced from time to time), each Sub-Fund may use financial derivative instruments or enter into Total Return Swaps transactions for the purposes set out in section "Investment Objectives and Policies" and as further described in Appendix I to this Prospectus for each Sub-Fund.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in the Sub-Fund specific text in the Appendix to this Prospectus. Financial derivatives and Total Return Swaps may be used for the purpose of generating additional capital or income or for reducing costs or risk.

All revenues arising from financial derivative and TRS transactions will be returned to the relevant Sub-Fund.

The risk exposure to a counterparty generated through OTC financial derivatives and Total Return Swaps must be combined when calculating counterparty risk limits referred to section "Investment Restrictions" above.

The selection of counterparties to OTC financial derivative or to Total Return Swap transactions will be regulated financial institutions based in an OECD member state and have an investment grade credit rating which the Management Company believes to be creditworthy. The credit analysis of the counterparties is tailored to the intended activity and may include, but not limited to, a review of the management, liquidity, profitability, corporate structure, regulatory framework in the relevant jurisdiction, capital adequacy, and asset quality. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The selected counterparties will comply

with the provisions of Article 3 of the SFTR. Details of the selection criteria and a list of approved counterparties is available from the registered office of the Management Company.

As of the date of this Prospectus, none of the Sub-Funds is using securities lending transactions, reverse repurchase agreement transactions and repurchase agreement transactions. Should a Sub-Fund use these techniques, the Prospectus will be updated beforehand.

Collateral Management

Assets received from counterparties in OTC derivative transactions (including Total Return Swaps) constitute collateral.

Collateral shall comply with applicable regulatory standards, in particular CSSF Circular 14/592 regarding the ESMA guidelines on ETFs and other UCITS issues.

Collateral received by the relevant Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.

This collateral shall be given in the form of cash.

The collateral must be valued on a daily basis.

Collateral received will be at least 100% of the value of the transaction. Collateral received will be held by the Depositary. No haircut will generally be applied to cash collateral.

The following haircut for collateral is applied by the Fund (the Fund reserves the right to vary this policy at any time):

Eligible Collateral	Haircut
Cash	0%

*The Fund does not accept other types of assets as eligible collateral.

Cash collateral received by a Sub-Fund in relation to any of these transactions will not be reinvested.

In each of the cases above, the relevant Sub-Fund will need to comply with any additional restrictions that may be contained in any other contracts to which it is a party (in particular the terms of any OTC Derivative transactions).

Determination of the Net Asset Value of Shares

The Valuation Day of each Class of Shares shall normally be each Business Day.

A. The assets of the Fund shall be deemed to include:

   (a) all cash on hand or on deposit, including any interest accrued thereon;

   (b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);

   (c) all bonds, time notes, shares, stock, debenture stocks, units/shares in undertakings for collective investment, subscription rights, warrants, options and other investments and securities owned or contracted for by the Fund;

   (d) all stock, stock dividends, cash dividends and cash distributions receivable by the Fund (provided that the Fund may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights or by similar practices);

   (e) all interest accrued on any interest-bearing securities owned by the Fund except to the extent that the same is included or reflected in the principal amount of such security;

   (f) the preliminary expenses of the Fund insofar as the same have not been written off, and

   (g) all other assets of every kind and nature, including prepaid expenses.

The value of such assets shall be determined as follows:

1) the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making

such discount as the directors may consider appropriate in such case to reflect the true value thereof;

2) the value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based, except as defined in 3) below, in respect of each security on the latest available dealing prices or the latest available mid-market quotation (being the mid-point between the latest quoted bid and offer prices) on the stock exchange which is normally the principal market for such security;

3) where investments of the Fund are both listed on a stock exchange and dealt in by market makers outside the stock exchange, on which the investments are listed, then the Management Company will determine the principal market for the investments in question and they will be valued at the latest available price in that market;

4) securities dealt in on another Eligible Market are valued in a manner as near as possible to that described in paragraph 2);

5) in the event that any of the securities held in the Fund's portfolio on the Valuation Day are not quoted or dealt in on a stock exchange or another Eligible Market, or for any of such securities, no price quotation is available, or if the price as determined pursuant to sub-paragraphs 2) and/or 4) is not in the opinion of the Management Company representative of the fair market value of the relevant securities, the value of such securities shall be determined prudently and in good faith, based on the reasonably foreseeable sales or any other appropriate valuation principles;

6) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Management Company;

7) units or shares in underlying open-ended investment funds shall be valued at the net asset value of the relevant Valuation Day reduced by any applicable charges, failing which they shall be valued at the estimated net asset value as of such Valuation Day, failing which they shall be valued at the last available net asset value, whether estimated or actual, which is calculated prior to such Valuation Day; if events have occurred which may have resulted in a material change in the net asset value of such shares or units since the date on which such actual or estimated net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Management Company, such change;

8) liquid assets and money market instruments are valued at their nominal value plus accrued interest or on an amortised cost basis;

9) in the event that the above mentioned calculation methods are inappropriate or misleading, the Management Company may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Fund if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments and is in accordance with accounting practice.

B. The liabilities of the Fund shall be deemed to include:

(a) all loans, bills and accounts payable;

(b) all accrued or payable administrative expenses (including but not limited to investment advisory fee, performance or management fee, depositary fee and corporate agents' fees);

(c) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Fund where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;

(d) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Fund, and other provisions if any authorized and approved by the Management Company covering among others liquidation expenses; and

(e) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by shares in the Fund. In determining the amount of such liabilities the Fund shall take into account all expenses payable by the Fund comprising formation expenses, the remuneration and expenses of its directors and officers, including their insurance cover, fees payable to its investment advisers or investment managers (including research costs), fees and expenses payable to its service providers (e.g. data providers, benchmark administrators, etc) and officers, accountants, depositary and its correspondents, domiciliary, registrar and transfer agents, any paying agent and permanent representatives in places of registration, any other agent employed by the Fund, fees and expenses incurred in connection with the listing of the Shares of the Fund at any stock exchange or to obtain a quotation or another Eligible Market, fees for legal and tax advisers in Luxembourg and abroad, fees for auditing services, promotional printing, reporting and publishing expenses, including the cost of preparing, translating, distributing, advertising and printing of the prospectuses, notices, rating agencies, explanatory mem-

oranda, registration statements, or of interim and annual reports taxes or governmental charges, shareholders servicing fees and distribution fees payable to distributors of Shares in the Fund, currency conversion costs, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

Temporary Suspension of Calculation of Net Asset Value

Under article 22 of the Articles of Incorporation, the Fund may temporarily suspend the calculation of the Net Asset Value of one or more Sub-Funds and the issue, redemption and switching of Shares if at any time the Management Company believes that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise in any of the following cases:

a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed, other than for legal holidays or during which dealings are substantially restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to such Sub-Fund;

b) during the existence of any state of affairs which constitutes an emergency, in the opinion of the Management Company, as a result of which disposal or valuation of investments of the relevant Sub-Fund by the Fund is not possible;

c) during any breakdown in the means of communication normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange;

d) if the Fund is being or may be wound up or merged, from the date on which notice is given of a general meeting of Shareholders at which a resolution to wind up or merge the Fund is to be proposed or if a Sub-Fund is being liquidated or merged, from the date on which the relevant notice is given;

e) when for any other reason the prices of any investments owned by the Fund attributable to a Sub-Fund cannot promptly or accurately be ascertained (including the suspension of the calculation of the net asset value of an underlying undertaking for collective investment);

f) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of a Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Management Company, be effected at normal rates of exchange; or

g) any other circumstances beyond the control of the Management Company.

A notice of the beginning and of the end of any period of suspension will be published in a Luxembourg newspaper and in any other newspaper(s) selected by the Management Company, if, in the opinion of the Management Company, it is likely to exceed seven Business Days.

Notice will likewise be given to any applicant or Shareholder as the case may be applying for purchase, redemption, or conversion of Shares in the Sub-Fund(s) concerned. Such Shareholders may give notice that they wish to withdraw their application for subscription, redemption and conversion of Shares. If no such notice is received by the Fund such application for redemption or conversion as well as any application for subscription will be dealt with on the first Valuation Date following the end of the period of suspension.

Allocation of Assets and Liabilities

The Directors reserve the right to add further Sub-Funds and in certain circumstances to discontinue existing Sub-Funds.

The Fund is a single legal entity. Pursuant to article 181 of the Law of 2010, the rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund.

The assets of a Sub-Fund are exclusively available to satisfy the rights of investors in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund.

For the purpose of the relations as between investors, each Sub-Fund will be deemed to be a separate entity.

Benchmarks Regulation

In light of the provisions of Appendix I, certain Sub-Funds of the Company are using Benchmarks within the meaning of the Benchmarks Regulation.

The Benchmarks listed in the table below are being provided by the Benchmark Administrator specified next to the name of the relevant Benchmark in the table below. The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant Benchmark Administrator in the table below.

Benchmarks (each a "Benchmark"):[1]	**Benchmark Administrator**	**Status of the Benchmark Administrator**
ICE BofAML US 3-Month Treasury Bill Index	ICE Data Indices LLC	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.
ICE BofA 0-1 Year Euro Broad Market Index	ICE Data Indices LLC	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.
ICE BofAML Euro Investment Grade Contingent Capital Index	ICE Data Indices LLC	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.
ICE BofAML Euro Financial Subordinated & Lower Tier 2 Index	ICE Data Indices LLC	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.
ICE BofAML Euro Large Cap Corporate Index	ICE Data Indices LLC	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.
FTSE Italia PIR Mid-Small NT Index	FTSE International Ltd	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.
FTSE MIB Net TR EUR Index	FTSE International Ltd	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.

1 The Board of Directors has adopted written plans setting out the actions that they would take in the event that any such Benchmark materially changes or ceases to be provided. These plans are made available by the Management Company to Shareholders free of charge upon request. The Prospectus will be accordingly updated.

STOXX Europe 600 ESG-X Net Return Index	STOXX Ltd.	Recognised
MSCI Daily TR Net USA USD Index	MSCI Limited	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.

Benchmarks (each a "Benchmark"):[1]	**Benchmark Administrator**	**Status of the Benchmark**
MSCI Emerging Markets Net TR Index	MSCI Limited	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.
MSCI World All Countries Net TR USD	MSCI Limited	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.

Data Protection

In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, 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 (the "Data Protection Law"), the Fund acting as data controller (the "Data Controller") collects stores and processes, by electronic or other means, the data supplied by the investor at the time of his/her/its investment for the purpose of fulfilling the services required by the investor and complying with its legal obligations.

The data processed includes the name, contact details (including postal and/or e-mail address), 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 investor 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 Fund may be impaired.

Personal Data supplied by the investor is processed in order to enter into and execute the subscription in the Fund, 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 investor is processed for the purposes of (i) subscribing in the Fund, (ii) maintaining the Shares register; (iii) processing investments and withdrawals of and payments of dividends to the investor; (iv) account administration and (v) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations. In addition, Personal Data may be processed for the purposes of marketing. Each investor has the right to object to the use of his/her/its Personal Data for marketing purposes by writing to the Data Controller.

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 Depositary, Domiciliary, Administrative, Registrar and Transfer Agent, the Auditors and the Legal Adviser. 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. All the Recipients and Sub-Recipients are located in the European Union. 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), or as distinct data controller (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: 60, Avenue J.F. Kennedy, L-1855 Luxembourg, 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: 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, 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.

Luxembourg Tax Considerations

The following information is of a general nature only and is based on the Fund's understanding of certain aspects of the laws and practices in force in Luxembourg as of the date of this prospectus. It does not purport to be a comprehensive description of all tax considerations that may be relevant to an investment decision. 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. It is a description of the essential material Luxembourg tax consequences with respect to the subscribing for, purchasing, owning and disposing of Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to investors. This summary is based on the laws in force in Luxembourg on the date of this prospectus and is subject to any changes in law that may take effect after such date, even with retroactive or retrospective effect.

Prospective investors should consult their own professional advisors as to the particular consequences of subscribing for, purchasing, owning and disposing of Shares, including the application and effect of any federal, state or local taxes under the tax laws of Luxembourg and their countries of citizenship, residence, domicile or incorporation.

Investors should 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*), the 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 or taxes. Corporate income tax, municipal business tax, net wealth tax and the solidarity surcharge apply to most corporate taxpayers that are resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Fund

Income and net wealth taxes

Under current Luxembourg tax law, the Fund is neither subject to corporate income tax and municipal business tax (including the solidarity surcharge) nor net wealth tax (including the minimum net wealth tax) in Luxembourg.

Subscription tax

The Fund is as a rule subject in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per *annum*, such tax being payable quarterly. The taxable base for the subscription tax is the aggregate net assets of the Fund valued on the last day of each quarter of the calendar year.

However, the rate is reduced to 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 is the collective investment in deposits with credit institutions;
- individual compartments of UCIs with multiple compartments subject to the Law of 2010 and individual classes of securities

issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of these compartments or classes are reserved for one or more institutional investors.

Under certain conditions, reduced rates ranging from 0.04% to 0.01% may also be available for the portion of the net assets of a UCI or of an individual compartment of a UCI with multiple compartments that are invested in sustainable economic activities (as defined in Article 3 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088).

Further, the following are exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs provided that these units have already been subject to the subscription tax provided for by Article 174 of the Law of 2010 or Article 68 of the amended law of 13 February 2007 on specialised investment funds or Article 46 of the amended law of 23 July 2016 on reserved alternative investment funds;
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and in deposits with credit institutions, 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.
  If 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 provision or similar investment vehicles set up at the initiative of on one or several employers for the benefit of their employees and (ii) companies of one or more employers investing the funds they hold, to provide retirement benefits to their employees;
- UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions;
- 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 objective 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).

The above-mentioned provisions apply mutatis mutandis to the individual compartments of a UCI with multiple compartments.

Withholding tax

Under current Luxembourg tax law, there is no withholding tax on distributions and redemption payments made by the Fund to its Shareholders. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

The Fund may be however subject to withholding tax on dividends and interest payments and to tax on capital gains in the country of origin of its investments. As the Fund itself is exempt from Luxembourg corporate income tax, withholding tax levied at source, if any, would normally be a final cost.

Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Fund is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to the Fund.

Value added tax

In Luxembourg, regulated investment funds such as the Fund are considered as taxable persons for value added tax ("**VAT**") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty 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 Fund to its Shareholders to the extent that such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

Other taxes

No stamp duty or other tax is generally payable in Luxembourg in connection with the issue of Shares by the Fund against cash.

The Fund is however subject to a fixed registration duty of EUR 75 in Luxembourg upon incorporation and any subsequent amendment to its articles of association.

Taxation of the Shareholders

General considerations

It is expected that the Shareholders will be resident for tax purposes in different countries. Accordingly, no attempt is made in this prospectus to summarise the tax consequences for each Shareholder of subscribing for, purchasing, owning or disposing of Shares. These consequences will vary depending on the law and practice currently in force in the Shareholders' country of citizenship, residence, domicile or incorporation, as well as their personal circumstances. Shareholders that are residents or citizens of certain countries, which have a tax legislation affecting foreign funds, may have a current liability to tax on undistributed income and gains of the Fund. Shareholders should consult their own professional advisors as to the particular consequences of subscribing for, purchasing, owning and disposing of Shares, including the application and effect of any federal, state or local taxes under the tax laws of Luxembourg and their countries of citizenship, residence, domicile or incorporation.

Tax residency

A Shareholder will not become resident (or be deemed resident) in Luxembourg by reason only of holding and/or disposing of the Shares or executing, performing, delivering and/or enforcing its rights thereto.

Resident individual Shareholders

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 personal income tax at the progressive ordinary 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 personal 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 personal income tax at ordinary rates if the Shares are disposed of within six (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/her spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the share capital of the Fund whose Shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he/she acquired free of charge, within the five (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 realised on a substantial participation more than six (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 personal income tax rates and half of the average rate is applied to the capital gains realised 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 personal income tax at ordinary rates. 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.

Resident corporate Shareholders

Luxembourg resident corporate Shareholders that are fully taxable companies must include any profits derived, as well as any gains realised on the sale, repurchase or redemption of Shares, in their taxable profits for Luxembourg income tax 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.

Resident Shareholders benefiting from a special tax regime

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

Non-resident Shareholders

Non-resident Shareholders that have neither a permanent establishment nor a permanent representative in Luxembourg to which or to whom the Shares are attributable, are generally not liable to any income tax in Luxembourg on income received and gains realised upon the sale, repurchase or redemption of the Shares.

Non-resident corporate Shareholders that have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable, must include any income received, as well as any gain realised on the sale, repurchase or redemption of Shares, in their taxable income for Luxembourg income tax assessment purposes.

The same inclusion applies to individual Shareholders, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which or to whom the Shares are attributable.

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.

Net wealth tax

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

However, (i) a securitisation company subject to the amended law of 22 March 2004, (ii) a tax-opaque venture capital company subject to the amended law of 15 June 2004, (iii) a professional pension institution subject to the amended law of 13 July 2005, and (iv) a tax-opaque reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and subject to the amended law of 23 July 2016 remain subject to the minimum net wealth tax in Luxembourg.

Other taxes

Under current Luxembourg tax law, where an individual Shareholder is resident in Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his/her taxable base for inheritance tax purposes. By contrast, no inheritance tax is levied on the transfer of the Shares upon the death of a Shareholder if the deceased was not resident in Luxembourg for inheritance tax purposes at the time of his/her death.

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.

FATCA

Capitalised terms used in this section should have the meaning as set forth in the FATCA Law (as defined below), unless otherwise provided herein.

The Fund may be subject to the so-called FATCA legislation, which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities. As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain

foreign jurisdictions, which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the Luxembourg law of 24 July 2015, as amended or supplemented from time to time (the "**FATCA Law**"), which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (*Administration des contributions directes*).

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

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its Shareholders. On the request of the Fund, each Shareholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Person(s) of such NFFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its Shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Person(s), if applicable, of the processing of their information by the Fund.

Additionally, the Fund 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 Fund is to be processed in accordance with the applicable data protection legislation.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund 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 Fund 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.

Any Shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such Shareholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such Shareholder.

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

Shareholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

Common Reporting Standard

Capitalised terms used in this section should have the meaning as set forth in the CRS Law (as defined below), unless otherwise provided herein.

The Fund may be subject to the Common Reporting Standard (the "**CRS**") as set out in the Luxembourg law of 18 December 2015, as amended or supplemented from time to time (the "**CRS Law**") implementing Directive 2014/107/EU which provides for an automatic exchange of financial account information between Member States of the European Union as well as 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.

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

As such, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain Shareholders qualifying as Reportable Persons and (ii) Controlling Person(s) 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.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law.

Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund 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 Fund are to be processed in accordance with the applicable data protection legislation.

The Shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). 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 Luxembourg tax authorities.

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

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the Shareholders may suffer material losses.

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

German Tax

The Fund is organized as an Undertaking for Collective Investments in Transferable Securities (UCITS) and German investors are therefore subject to the German Investment Tax Act (InvStG) in relation to their participation in the Sub-Funds.

It is intended that some Sub-Funds and Share Classes will comply with the specific rules under the German Investment Tax Act (InvStG) in order to qualify them as reporting funds within the meaning of the InvStG.

General Meetings of Shareholders and Reports

The general meeting of Shareholders shall be held, in accordance with Luxembourg law, at the registered office of the Company, or at such other place in the Grand-Duchy of Luxembourg as may be specified in the notice of meeting.

The annual general meeting shall be held at any date and time decided by the Board of Directors but no later than within four months from the end of the Fund's previous financial year.

Shareholders will meet upon the call of the Board of Directors in accordance with the provisions of Luxembourg law.

In accordance with the Articles of Incorporation and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the general meeting of all Shareholders. Any decisions affecting Shareholders in one or several Sub-Funds may be taken by just those Shareholders in the relevant Sub-Funds to the extent that this is allowed by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles of Incorporation shall apply.

The Fund will publish an audited annual report within four months after the end of the business year and an un-audited semi-annual report within two months after the end of the period to which it refers. Audited annual reports and un-audited interim reports for the Fund combining the accounts of the Sub-Funds will be drawn up in Euro. Both sets of reports will also be made available at the registered office of the Fund.

The audited annual reports will be mailed to Shareholders at their registered address. The accounting year of the Fund ends on 31 December in each year.

Duration, Merger and Liquidation of the Fund and of the Sub-Funds

The Fund

The Fund was incorporated for an unlimited duration. However, the Board of Directors may at any time move to dissolve the Fund at an extraordinary general meeting of Shareholders.

If the Fund's share capital falls below two-thirds of the minimum capital required by law, the Board of Directors must refer the matter of the dissolution to a general meeting of Shareholders, deliberating without any quorum and deciding by a simple majority of the Shares represented at the meeting.

If the Fund's share capital is less than a quarter of the minimum capital required by law, the Board of Directors must refer the matter of dissolution of the Fund to a general meeting of Shareholders, deliberating without any quorum; the dissolution may be decided by Shareholders holding a quarter of the Shares represented at the meeting.

The Sub-Funds

A Sub-Fund or a Class may be terminated by resolution of the Board of Directors if the Net Asset Value of a Sub-Fund or a Class is below 10,000,000 Euro or in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board of Directors should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund or a Class to operate in an economically efficient manner, and with due regard to the best interests of Shareholders, that a Sub-Fund or a Class should be terminated. In such event, the assets of the Sub-Fund or the Class shall be realized, the liabilities discharged and the net proceeds of realization distributed to Shareholders in proportion to their holding of shares in that Sub-Fund or Class and such other evidence of discharge as the Board of Directors may reasonably require. In such event, notice will be notified and/or published in such newspapers as determined from time to time by the Board of Directors. No Shares shall be redeemed after the date of the decision to liquidate the Sub-Fund or a Class. Assets, which could not be distributed to Shareholders upon the close of the liquidation of the Sub-Fund concerned, will be deposited with the *Caisse de Consignation* in Luxembourg on behalf of their beneficiaries in accordance with Luxembourg laws and regulations.

Any merger of a Sub-Fund shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of Shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast. In case of a merger of one or more Sub-Fund(s) where, as a result, the Fund ceases to exist, the merger shall be decided by a meeting of Shareholders resolving in accordance with the quorum and majority requirements for changing the Articles of Incorporation. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (in particular the notification to the Shareholders concerned) shall apply.

If the Directors determine that it is in the interests of the Shareholders of the relevant Sub-Fund or Class or that a change in the economic or political situation relating to the Sub-Fund or Class concerned has occurred which would justify it, the reorganisation of one Sub-Fund or Class, by means of a division into two or more Sub-Funds or Classes, may take place. This decision will be notified to Shareholders in the manner described above. The notification will also contain information about the two or more new Sub-Funds or Classes. The notification will be made one month before the date on which the reorganization becomes effective in order to enable the Shareholders to request the sale of their Shares, free of charge, before the operation involving division into two or more Sub-Funds or Classes becomes effective.

Publication of Prices

The Net Asset Value per Share may be obtained from the registered office of the Fund.

Historical Performance

Past performance information on each Sub-Fund can be found at https://www.kairospartners.com/asset-management/sicav-and-ucits-funds/?lang=en.

Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into and are or may be material:

- a Management Company Services Agreement dated 1 September 2014 between the Fund and Kairos Partners SGR S.p.A.;
- a Depositary and Paying Agent Agreement dated 12 May 2016 between the Fund, the Management Company and BNP Paribas Securities Services, Luxembourg Branch;
- a Domicile Agency Agreement dated 6 October 2006 between the Fund and BNP Paribas Securities Services, Luxembourg Branch;

- a Registrar and Transfer Agency Agreement dated 1 September 2014 between the Management Company and BNP Paribas Securities Services, Luxembourg Branch;
- an Administrative Agency Agreement dated 1 September 2014 between the Management Company and BNP Paribas Securities Services, Luxembourg Branch.

Documents Available for Inspection

Copies of the Articles of Incorporation, the most recent prospectus, the most recent KIDs and the latest audited and un-audited reports of the Fund and of each Sub-Fund and the material contracts referred to above are available for inspection at the registered office of the Fund.

The up-to-date remuneration policy is available for inspection at the registered office of the Management Company.

A copy of the Articles of Incorporation, the most recent prospectus, the most recent key investor information documents and the latest reports may be obtained free of charge.

Appendix I

Description of the Sub-Funds

It is recommended that investors who are considering investing in the Sub-Funds seek independent financial advice before doing so. The investment in the Sub-Funds is suitable for investors who see collective investment schemes as a convenient way of accessing financial markets.

The risks inherent in the investment in the Sub-Funds are mainly related to possible changes in the value of Shares which, in turn, are affected by the fluctuation of the financial instruments the Sub-Fund's assets are invested in. The use of derivative instruments may magnify the volatility of financial markets.

Emerging market bonds and equities are accompanied by higher risks, due to greater political (including capital controls), interest rate and credit risks, but they can also potentially enhance income and return for investors. Please see section "Investment in Developing Markets" and "Russia" of this Prospectus for further details.

The main risk factors related to the financial instruments invested in are:
- changes of equity indices and quotations;
- changes in the prevailing interest rates in international bond markets;
- changes in currency rates;
- changes in the creditworthiness of governmental, corporate or emerging country issuers;
- significant declines in the liquidity of underlying investments;
- temporary restrictions on liquidation of investments by Government decrees/acts, and/or suspension of market trading activities;
- restrictions on repatriation of funds invested on a temporary or permanent basis; and
- restrictions on currency whereby capital transfers are made at unfavourable exchange rates.

Kairos International Sicav – Bond

Asset class: flexible fixed income

Base currency: Euro

Investment objective: capital appreciation

Investment policy: the Sub-Fund will invest in a diversified portfolio of debt securities of any financial duration issued either by governments or by non-government entities.

The management style shall include an investment analysis based on the interpretation of the economic cycle with a view to establishing global asset allocation, together with a selection of individual securities.

Debt instruments may include subordinated debt, Perpetual Bonds, Hybrid Debt or securities issued by special purpose vehicles (as in the case of securitizations).

Debt obligations shall be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency, which may be the currency of an emerging country. Corporate securities shall be selected from among issuers of any economic sector.

While focusing on high grade borrowers, the Sub-Fund may invest up to 50% of its assets in debt obligations issued by non-rated issuers or issuers whose rating is non-investment grade; it may also invest in securities issued by less developed governments or by companies in those countries.

The Sub-Fund will not purchase any equity securities. However, it may hold up to 10% of its net asset value in equities when those securities are assigned to the Sub-Fund as result of the conversion of a bond or a warrants/right assigned to bondholders. Such equity investments will be managed and eventually sold in the best interest of investors.

Interest rate derivatives may be used to achieve the intended duration of the portfolio, whereas credit derivatives will be used in order to exploit potential mispricing of securities in the market. The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency, including a currency issued by an emerging country.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

Up to 10% of the net assets of the Sub-Fund may be invested in assets falling outside the investment universe defined in the investment policy.

ESG approach: The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Interest Rate Risk, Credit Risk, Investing in Lower rated or High Yield bonds or Bonds issued by non-rated issuers, Asset Backed Securities.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium risk tolerance who can set aside the capital for a period of at least three years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: The Sub-Fund shall be characterised by active and absolute performance oriented management, without any reference to a benchmark.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	0.25%	0.60%	0.30%	0.15%	0.60%
Distribution fee	-	-	-	-	-
Performance fee	10%	-	10%	10%	-
Performance fee method	Historical High Watermark				-

See section Fees and Expenses for more complete information.

Kairos International Sicav – Target 2026

Asset class: fixed income

Base currency: Euro

Investment objective: capital appreciation over a 5 years' time horizon

Investment policy: the Sub-Fund will gain exposure to a range of credit related instruments with a financial duration of up to 5 years. In this perspective, up to 100% of the Sub-Fund's assets may be invested in debt securities issued either by governments or by non-government entities mainly established (at least 50%) in Europe.

The management style shall include an investment analysis based on the interpretation of the economic cycle with a view to establishing global asset allocation, together with a selection of individual securities.

Debt instruments may include up to 30% in subordinated debt, Perpetual Bonds, Hybrid Debt (e.g. contingent convertible bonds), convertible bonds. The investment in contingent convertible bonds will not exceed 20% of the assets. The Sub-Fund may invest up to 70% of its assets in debt obligations issued by non-rated issuers or issuers whose rating is non-investment grade. At the time of the investment, debt obligations issued by issuers whose rating is non-investment grade shall be subject to a minimum rating of B- according to Bloomberg (or equivalent rating by other recognized rating agencies) and shall have a weighted average rating of BB- according to Bloomberg (or equivalent rating by other recognized rating agencies).

The Sub-Fund will not purchase any equity securities. However, it may hold up to 10% of its net asset value in equities when those securities are assigned to the Sub-Fund as result of the conversion of a bond or a warrants/right assigned to bondholders. Such equity investments will be managed and eventually sold in the best interest of investors.

Debt obligations shall be issued by sovereign states, supranational entities, corporate issuers or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. Corporate securities shall be selected from among issuers of any economic sector.

The debt obligations selected shall have a financial duration consistent with the residual life of the Sub-Fund. The residual duration of the securities will vary over time in light of the investment objective and of market developments as the Sub-Fund approaches its expiry date. The duration of the portfolio will be comprised between five and less than one year and will decrease as the expiry date approaches.

Interest rate derivatives may be used to achieve the intended duration of the portfolio, whereas credit derivatives will be used in

order to exploit potential mispricing of securities in the market. The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

Up to 10% of the net assets of the Sub-Fund may be invested in assets falling outside the investment universe defined in the investment policy.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Interest Rate Risk, Credit Risk, Investing in Lower rated or High Yield Bonds issued by non-rated issuers, Contingent Convertible Instruments.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to low risk tolerance who can set aside the capital for a period of at least five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: The Sub-Fund shall be characterised by active and absolute performance oriented management without any reference to a benchmark.

Dividend policy: Distribution Shares will pay twice a year a dividend of at least 80% of the gross interest income received during the previous six months.

Fees

	Class X
Management fee	0.50%
Distribution fee	-
Performance fee	-

Contingent Deferred Sales Charge: When Shares of this Sub-Fund are redeemed before 31 December 2026, the redemption proceeds thereof will be subject to a Contingent Deferred Sales Charge ("CDSC") at the rates set forth in the table below.

Time of redemption	Rate
Up until 31 December 2022	1.00%
1 January 2023 – 31 December 2023	0.75%
1 January 2024 – 31 December 2024	0.50%
1 January 2025 – 31 December 2025	0.25%
1 January 2026 – 31 December 2026	0.00%

The CDSC will be calculated on the net asset value of the Shares being redeemed.
The proceeds of the applicable CDSC are paid to the Sub-Fund.

See section Fees and Expenses for more complete information.

Limited Offering Period: Shares of the Sub-Fund will only be offered from 2 May 2022 to 31 July 2022 ("Offering Period"); the Board of Directors may decide to reduce or extend the Offering Period, in which case investors will be informed by way of an appropriate notice published on www.kairospartners.com. No additional Shares of the Sub-Fund shall be issued after the Offering Period. Securities in the portfolio will expire or will be liquidated by 31 December 2026 ("**Liquidation date**"). By the Liquidation Date, the assets of the Sub-Fund shall be realised, the liabilities discharged and the net proceeds of the realisation distributed to the Shareholders in proportion to their holding of Shares in the Sub-Fund.

Kairos International Sicav – Target 2028

Asset class: fixed income

Base currency: Euro

Investment objective: capital appreciation over a 5 years' time horizon

Investment policy: the Sub-Fund will gain exposure to a range of credit related instruments with a financial duration of up to 5 years. In this perspective, up to 100% of the Sub-Fund's assets may be invested in debt securities issued either by governments or by non-government entities mainly established (at least 50%) in Europe.

The management style shall include an investment analysis based on the interpretation of the economic cycle with a view to establishing a global asset allocation, together with a selection of individual securities.

Debt instruments may include up to 30% in subordinated debt, Perpetual Bonds, Hybrid Debt (e.g. contingent convertible bonds), convertible bonds. The investment in contingent convertible bonds will not exceed 20% of the assets. The Sub-Fund may invest up to 70% of its assets in debt obligations issued by non-rated issuers or issuers whose rating is non-investment grade. At the time of the investment, debt obligations issued by issuers whose rating is non-investment grade shall be subject to a minimum rating of B- according to Bloomberg (or equivalent rating by other recognized rating agencies) and shall have a weighted average rating of BB- according to Bloomberg (or equivalent rating by other recognized rating agencies).

The Sub-Fund will not purchase any equity securities. However, it may hold up to 10% of its net asset value in equities when those securities are assigned to the Sub-Fund as result of the conversion of a bond or a warrant/right assigned to bondholders. Such equity investments will be managed and eventually sold in the best interest of investors.

Debt obligations shall be issued by sovereign states, supranational entities, corporate issuers or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. Corporate securities shall be selected from among issuers of any economic sector.

The debt obligations selected shall have a financial duration consistent with the residual life of the Sub-Fund. The residual duration of the securities will vary over time in light of the investment objective and of market developments as the Sub-Fund approaches its expiry date. The duration of the portfolio will be comprised between five and less than one year and will decrease as the expiry date approaches.

Interest rate derivatives may be used to achieve the intended duration of the portfolio, whereas credit derivatives will be used in order to exploit potential mispricing of securities in the market. The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

Up to 10% of the net assets of the Sub-Fund may be invested in assets falling outside the investment universe defined in the investment policy.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Interest Rate Risk, Credit Risk, Investing in Lower rated or High Yield Bonds issued by non-rated issuers, Contingent Convertible Instruments.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to low risk tolerance who can set aside the capital for a period of at least five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: The Sub-Fund shall be characterised by active and absolute performance oriented management without any reference to a benchmark.

Dividend policy: Distribution Shares will pay an annual dividend of 5% in the first year and of 4% in the following 3 years.

Fees

	Class D	Class P	Class X
Management fee*	0.70%	0.50%	0.40%
Distribution fee**	2.50%	-	-
Performance fee	-	-	-

* A management fee of 0.20% will be applied during the Offering Period.

** Class D Shares will pay an upfront distribution fee to the Management Company or to any entity active in the placement of the Class D Shares at the end of the Offering Period. Such Distribution fee will be amortised over 5 years.

When Class D Shares are redeemed before the end of their life, the redemption proceeds will be subject to a fee decreasing over time at predetermined rates to protect remaining shareholders from the dilution effects due to the fact that the distribution fee described in the preceding paragraph is not yet fully amortised. The fee will be calculated on the gross redemption amount of the Shares being redeemed and will be paid to the Sub-Fund.

The below table sets out the rates applied over time at redemption of Class D Shares.

Time of redemption	Rate
1 January 2024 – 30 June 2024	2.50%
1 July 2024 – 31 December 2024	2.25%
1 January 2025 – 30 June 2025	2.00%
1 July 2025 – 31 December 2025	1.75%
1 January 2026 – 30 June 2026	1.50%
1 July 2026 – 31 December 2026	1.25%
1 January 2027 – 30 June 2027	1.00%
1 July 2027 – 31 December 2027	0.75%
1 January 2028 – 30 June 2028	0.50%
1 July 2028 – 31 December 2028	0.25%

See section Fees and Expenses for more complete information.

Limited Offering Period: Shares of the Sub-Fund will only be offered from 1 October 2023 to 31 January 2024 ("**Offering Period**"); the Board of Directors may decide to reduce or extend the Offering Period, in which case investors will be informed by way of an appropriate notice published on www.kairospartners.com. No additional Shares of the Sub-Fund shall be issued after the Offering Period.

Securities in the portfolio will expire or will be liquidated by 31 December 2028 ("**Liquidation Date**"). By the Liquidation Date, the assets of the Sub-Fund shall be realised, the liabilities discharged, and the net proceeds of the realisation re-invested in the corresponding Share Class of Kairos International Sicav – Bond.

Shares of each Share Class can be issued in series differing by their initial Offering Period (e.g. series 1, 2, 3, etc.). The initial Offering Period of each series of Shares will be defined in the application form.

Kairos International Sicav – Bond Plus

Asset class: flexible fixed income

Base currency: Euro

Investment objective: capital appreciation

Investment policy: The Sub-Fund will gain exposure to a range of credit related instruments. In this perspective up to 100% of the Sub-Fund's assets may be invested in debt securities of any financial duration issued either by governments or by non-government entities.

The management style shall include an investment analysis based on the interpretation of the economic cycle with a view to establishing global asset allocation, together with a selection of individual securities.

Debt instruments may include subordinated debt, Perpetual Bonds, Hybrid Debt (e.g., contingent convertible bonds) or securities issued by special purpose vehicles (as in the case of securitizations). The Sub-Fund may invest up to 25% of its assets in convertible bonds.

Debt obligations shall be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency, which may be the currency of an emerging country. Corporate securities shall be selected from among issuers of any economic sector. The Sub-Fund may invest up to 70% of its assets in debt obligations issued by non-rated issuers or issuers whose rating is non-investment grade; it may also invest in securities issued by less developed governments or by companies in those countries.

The Sub-Fund will not purchase any equity securities. However, it may hold up to 10% of its net asset value in equities when those securities are assigned to the Sub-Fund as result of the conversion of a bond or a warrants/right assigned to bondholders. Such equity investments will be managed and eventually sold in the best interest of investors.

Interest rate derivatives may be used to achieve the intended duration of the portfolio, whereas credit derivatives will be used in order to exploit potential mispricing of securities in the market. The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency, including a currency issued by an emerging country.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

Up to 10% of the net assets of the Sub-Fund may be invested in assets falling outside the investment universe defined in the investment policy.

ESG approach: The Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Interest Rate Risk, Credit Risk, Investing in Emerging and Developing Markets, Investing in Lower rated or High Yield Bonds issued by non-rated issuers, Distressed securities, Contingent Convertible instruments, Credit Default Swaps, Asset Backed Securities.

Global exposure: The absolute Value-at-Risk approach will be used to measure the Sub-Fund's global exposure. In addition, the Sub-Fund's level of leverage will be calculated using the sum of notionals of the derivatives in the Sub-Fund's portfolio. The expected level of leverage is 160% (sum of notionals approach) and 80% (commitment approach) of the net asset value of the Sub-Fund, although it is possible that leverage might significantly exceed this level from time to time.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium risk tolerance who can set aside the capital for a period of at least three years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: The Sub-Fund shall be characterised by active and absolute performance oriented management, without any reference to a benchmark.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	0.50%	1.35%	0.60%	0.50%	0.80%
Distribution fee	-	0.25%	-	-	-
Performance fee	10%	-	10%	10%	-
Performance fee method	Historical High Watermark				-

See section Fees and Expenses for more complete information.

Kairos International Sicav – Pentagon

Asset class: flexible

Base currency: US Dollar

Investment objective: capital appreciation

Investment policy: The Sub-Fund's objective is to invest in liquid assets mainly expressed in US Dollar. In particular, the Sub-Fund will invest up to 40% of its net assets in equities traded in the US markets/exchanges, either via direct investment in securities and ETFs or via derivative instruments. The portfolio may also be invested in the US Real Estate market as well as gain exposure on oil and gold commodity markets. Any such asset class may represent up to 15% of the net assets of the Sub-fund. Such investments may include, but may not be limited to, ETFs, ETCs, REITs, derivative instruments on indices or single stocks and equities issued by companies in these industry sectors. The remaining part of the portfolio may be invested, directly or via derivative instruments, in government bonds.

The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in US Dollar, Euro or in any foreign currency, including a currency issued by an emerging country. The Sub-Fund may hedge all or part of its exposure to all currencies versus the USD.

The aggregate exposure of derivative instruments may be equal to the Sub-Fund's aggregate assets and could significantly affect its performance, also generating an opportunistic short exposure to any of the asset classes mentioned above.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

Up to 10% of the net assets of the Sub-Fund may be invested in assets falling outside the investment universe defined in the investment policy.

ESG approach: even if the Sub-Fund does not explicitly promote environmental or social characteristics nor has Sustainable Investment as its objective, the Management Company has implemented procedures aimed at monitoring the sustainability risk in a view to assess and limit such risk.

This Sub-Fund does not take into account principal adverse impacts on sustainability factors.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Credit Risk, Financial derivative Instruments and Hedging Strategies, Investing in sector based Sub-Funds.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to high risk tolerance who can set aside the capital for a period of three to five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: the Sub-Fund shall be actively managed without any reference to a benchmark.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	0.50%	1.35%	0.60%	0.50%	0.80%
Distribution fee	-	0.25%	-	-	-
Performance fee	10%	-	10%	10%	-
Performance fee method	Historical High Watermark				-

See section Fees and Expenses for more complete information.

Kairos International Sicav – Financial Income

Asset class: fixed income

Base currency: Euro

Investment objective: capital appreciation

Investment policy: the Sub-Fund will gain exposure to the financial sector via the investment in debt related instruments. In this perspective up to 100% of the Sub-Fund's assets may be invested in a diversified portfolio of financial securities, namely debt instruments issued by European and non-European financial institutions (including, but not limited to, banks).

The management style shall include an investment analysis based on mix of a top-down view and a bottom-up analysis where an emphasis will be put on sustainability, capital structure relative value (equity versus debt and tiering of bonds by seniority) and regulatory changes as well as on the interpretation of the economic cycle and sector developments.

Debt instruments may include contingent-convertible instruments, hybrid securities, other subordinated debt, convertible securities, asset-backed securities, as well as deposits and senior both secured and unsecured bonds or securities issued by special purpose vehicles (as in the case of securitizations).

The Sub-Fund may invest up to 70% of its assets in contingent convertible bonds and up to 25% in other types of convertible bonds.

The Sub-Fund may invest up to 70% of its assets in debt obligations issued by non-rated issuers or issuers whose rating is non-investment grade. The Sub-Fund will invest at least 50% of its invested portfolio in securities issued by issuers of the financial sector; in addition, debt obligations may be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency.

Up to 10% of the invested portfolio might be invested in equity and equity-related instruments. Such equity exposure may result from the participation in capital raising transactions via the conversion of bonds, warrants or other rights, or from a direct investment aimed at exploiting misalignments in valuation within the capital structure.

In addition, the Sub-Fund may seek to enhance returns or reduce the risk of losses by holding part of its assets in cash and more generally by adopting, in the investors' interest and on a temporary basis, choices different from those normally established, based on the performance of financial markets or other specific circumstances.

The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency. Such instruments shall include, but may not be limited to, interest rate derivatives, credit derivatives, credit default swaps, CFDs, futures, forwards and options on indices and/or single names.

The aggregate exposure of derivative instruments may be equal to the Sub-Fund's aggregate assets and could significantly affect its performance.

The Sub-Fund will enter into Total Return Swaps on single debt securities or on indices (including, but not limited to, Markit iBoxx USD Contingent Convertible Liquid Developed Market AT1, Markit iBoxx EUR Contingent Convertible Liquid Developed Market AT1, iBoxx EUR Liquid High Yield, iBoxx GBP Corporates, iBoxx EUR Corporates indices), mainly on a temporary basis based on the risk perception of the investment manager with the aim of hedging risk, as they provide greater liquidity at lower cost in illiquid market situations. Total Return Swap transactions will also be used on a continuous basis for efficient portfolio management purposes in case the underlying market of the Sub-Fund is distressed and/or suffers from illiquidity and therefore the use of Total Return Swaps allows to invest at a lower cost. The expected level of exposure that could be subject to Total Return Swaps (including CFDs) amounts to 20% of the Sub-Fund's net assets, subject to a maximum of 40%.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

Up to 10% of the net assets of each Sub-Fund may be invested in assets falling outside the investment universe defined in the investment policy.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Interest Rate Risk, Credit Risk, Investing in Lower rated or High Yield Bonds issued by non-rated issuers, Distressed securities, Contingent Convertible Instruments, Investing in sector based Sub-Funds.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to high risk tolerance who can set aside the capital for a period of three to five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: 70% ICE BofAML Euro Investment Grade Contingent Capital Index (COCE) + 30% ICE BofAML Euro Financial Subordinated & Lower Tier 2 Index (EBSL).

Use of benchmark: The Sub-Fund shall be actively managed, with full discretion over the composition of the portfolio. The Benchmark is used for performance comparison and performance fee calculation.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	0.50%	1.35%	0.60%	0.50%	0.80%
Distribution fee	-	0.25%	-	-	-
Performance fee	10%	-	10%	10%	-
Performance fee method			Relative		-

See section Fees and Expenses for more complete information.

Kairos International Sicav – European Long Only

Asset class: equity

Base currency: Euro

Investment objective: capital appreciation

Investment policy: The Sub-Fund shall invest at least 70% of its assets in equities of issuers established in Europe, directly or via listed derivatives. Such derivatives shall include, but may not be limited to, futures and options on indices or on single stocks.

On an ancillary basis (i.e. less than 10% of its net assets), the portfolio may be invested in international equities and debt obligations, other than those referred to in the preceding paragraphs, of any financial duration, which shall be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. The debt obligations need not be rated and may be non-investment grade without constraints in this respect. Sector allocation may significantly vary between periods; corporate securities (including principally equities, bonds and other securities) shall be issued by issuers of any economic sector.

The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency. The Sub-Fund will enter into CFDs/Total Return Swaps on single securities or on indices (including, but not limited to, the STOXX Europe 600 Index), on a continuous basis with the aim of taking long or short positions and on a temporary basis for hedging positions based on the risk perception of the investment manager for hedging purposes. The expected level of exposure that could be subject to CFDs/Total Return Swaps on single securities or on indices amounts to 10% of the Sub-Fund's net assets, subject to a maximum of 30%. The aggregate exposure of derivative instruments may be equal to the Sub-Fund's aggregate assets and could significantly affect its performance.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Equity Risk, Market Volatility, Contracts for difference.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a high risk tolerance who can set aside the capital for a period of at least five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: STOXX Europe 600 ESG-X Index (SXXRESGX)

Use of benchmark: the Sub-Fund shall be actively managed in reference to the Benchmark. At least 60% of its assets are part of (although not necessarily with similar weightings to) the Benchmark. With respect to the remaining part of the Sub-Fund's assets not included in the Benchmark, the investment manager will use its discretion to invest in companies or sectors not included in the Benchmark in order to take advantage of specific investment opportunities. The Benchmark is also used for performance comparison and performance fee calculation.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	0.75%	1.75%	1.25%	0.75%	1.30%
Distribution fee	-	0.25%	-	-	-
Performance fee	15%	-	15%	15%	-
Performance fee method			Relative		-

See section Fees and Expenses for more complete information.

Kairos International Sicav – Innovation Trends

Asset class: equity

Base currency: US Dollar

Investment objective: capital appreciation, outperforming the Benchmark.

Investment policy: The Sub-Fund shall aim to invest at least 80% of its assets in international equities with the aim of exploiting the long-term economic and social trends, such as disruptive technologies, i.e., technologies that will likely significantly influence consumer and societal behavior, as well as demographic and climate change. The impact of innovations is not limited to the technological sector, but may find a multi-sector application, including financial, health, industrial, consumer goods and energy sectors, guaranteeing companies an improvement of efficiency and in the consequent supply of products and services. Sector allocation may significantly vary between periods.

Up to 20% of the Sub-Fund's assets may be invested in equities issued by issuers in Emerging Markets and may be denominated in the currencies of such markets.

The Sub-Fund may also invest up to 20% of the Sub-Fund's assets in investment grade debt obligations issued by OECD sovereign states and supranational entities for liquidity management purposes.

The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in US Dollars or in any other currency. Such instruments shall include, but may not be limited to, futures and options on indices or on single stocks. The Sub-Fund will enter into CFDs/Total Return Swaps on single securities or on indices (including, but not limited to, the Euro Stoxx 50 or the S&P500 Index), on a continuous basis with the aim of taking long or short positions and on a temporary basis based on the risk perception of the investment manager for hedging purposes. The expected level of exposure that could be subject to CFDs/Total Return Swaps on single securities or on indices amounts to 10% of the Sub-Fund's net assets, subject to a maximum of 20%. The aggregate exposure of derivative instruments may be equal to the Sub-Fund's aggregate assets and could significantly affect its performance.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Equity Risk, Market Volatility, Emerging Markets, Financial Derivative Instruments and Hedging Strategies.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a high risk tolerance who can set aside the capital for a period of at least five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: 100% MSCI World All Countries Net TR USD (NDUEACWF).

Use of benchmark: The Sub-Fund shall be actively managed, with full discretion over the composition of the portfolio. The Benchmark is used for performance comparison and performance fee calculation.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	0.75%	1.75%	1.25%	0.75%	1.30%
Distribution fee	-	0.25%	-	-	-
Performance fee	15%	-	15%	15%	-
Performance fee method	Relative				-

See section Fees and Expenses for more complete information.

Kairos International Sicav – Italia

Asset class: flexible equity

Base currency: Euro

Investment objective: capital appreciation

Investment policy: The Sub-Fund's investment objective is to establish, in the investors' interest, an asset allocation in securities (equities and bonds, directly of via derivative instruments) of issuers established in Italy by pursuing a long/short strategy.

On an ancillary basis, the portfolio may be invested in international equities and debt obligations of any financial duration which shall be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. The securities need not be rated and may be non-investment grade without constraints in this respect. Sector allocation may significantly vary between periods; corporate securities (including principally equities, bonds and other securities) shall be issued by issuers of any economic sector. The Sub-Fund may invest up to 5% of its assets in SPACs.

The equity gross exposure may range from a minimum of 50% and a maximum of 200% and the net exposure from a minimum of -30% and a maximum of +100% of the Sub-Fund's assets. The long exposure will be achieved through direct investment in securities and via financial derivatives instruments. The short exposure shall only be achieved through the use of financial derivative instruments.

The derivative instruments used shall include both listed and over-the-counter derivative instruments and may be denominated in Euro or in any foreign currency. Such instruments shall include, but may not be limited to, swaps, CFDs, futures and options on indices or on single stocks. The Sub-Fund will enter into CFDs on single securities, on a continuous basis with the aim of taking long or short positions. The expected level of exposure that could be subject to CFDs amounts to 10% of the Sub-Fund's net assets, subject to a maximum of 20%. The aggregate exposure of derivative instruments may be equal to the Sub-Fund's aggregate assets and could significantly affect its performance.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Equity Risk, Financial Derivative Instruments and Hedging Strategies, Contracts for difference, Long/short Strategy, Special Purpose Acquisition Vehicles.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to high risk tolerance who can set aside the capital for a period of three to five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: The Sub-Fund shall be characterised by active and absolute performance oriented management without any reference to a benchmark.

Fees

	Class C	Class D	Class P	Class X (cap)	Class X-Dist	Class Y
Management fee	1.00%	2.00%	1.50%	1.00%	1.00%	1.90%
Distribution fee	-	0.25%	-	-	-	-
Performance fee	15%	-	15%	20%	20%	-
Performance fee method	Historical High Watermark			Equalisation	Historical High Watermark	-

See section Fees and Expenses for more complete information.

Kairos International Sicav – Made in Italy

Asset class: equity

Base currency: Euro

Investment objective: capital appreciation

Investment policy: The Sub-Fund will establish, in the investors' interest, an asset allocation in securities (equities and bonds) of issuers established in Italy.

The Sub-Fund shall invest at least 70% of its assets, directly or indirectly, in "Qualified Investments", being financial instruments listed or not listed in a regulated market or in a multilateral trading facility, issued by companies resident in Italy, or resident in other EU or EEA Member States and having a permanent establishment in Italy. Such financial instruments shall be represented (i) for at least 17.5% of the assets of the Sub-Fund by financial instruments issued by companies not included in the FTSE MIB Index of the Italian Stock Exchange (or equivalent indices of other Regulated Markets) and (ii) for at least another 3.5% of the assets by financial instruments issued by companies not included in the FTSE MIB Index and in the FTSE Italia Mid Cap Index of the Italian Stock Exchange (or equivalent indices of other Regulated Markets). These investment restrictions shall be fulfilled for at least two thirds of each calendar year. The Sub-Fund may invest up to 10% of its assets in SPACs.

Within the limit of the remaining part of the portfolio, the Sub-Fund may invest in financial derivative instruments with the aim of hedging the risk of the Qualified Investments, as well as in international equities and debt obligations of any financial duration which shall be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. The securities need not be rated and may be non-investment grade without constraints in this respect. Sector allocation may significantly vary between periods; corporate securities (including principally equities, bonds and other securities) shall be issued by issuers of any economic sector

The derivative instruments used shall include both listed and over-the-counter derivative instruments and may be denominated in Euro or in any foreign currency. Such instruments shall include, but may not be limited to, futures, forwards and options on indices or on single stocks.

The Sub-Fund cannot invest more than 10% of the portfolio in financial instruments issued by, or entered into with the same company, or by companies belonging to the same group, or in cash deposits exceeding those held with the Depositary Bank for liquidity management purposes.

The Sub-Fund shall not invest in financial instruments issued by companies resident in countries, which do not allow an adequate exchange of information.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund is eligible for the investment under a "Piano Individuale di Risparmio a lungo termine" (PIR) referred to in Law No 232 of 11 December 2016 and in Law No 157 of 19 December 2019.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Equity Risk, Market Volatility, Liquidity Risk, Financial Derivative Instruments and Hedging Strategies, Special Purpose Acquisition Vehicles.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to high risk tolerance who can set aside the capital for a period of three to five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: 40% FTSE Italia PIR Mid-Small Cap Net Tax Index (ITPIRMSN Index) + 30% FTSE MIB Net Total Return Index (FTSEMIBN) + 30% ICE BofAML Euro Large Cap Corporate Index (ERL0)

Use of benchmark: the Sub-Fund shall be actively managed, with full discretion over the composition of the portfolio. The Benchmark is used for performance comparison and performance fee calculation.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	0.75%	1.75%	1.25%	0.75%	1.30%
Distribution fee	-	0.25%	-	-	-
Performance fee	15%	-	15%	15%	-
Performance fee method	Relative				-

See section Fees and Expenses for more complete information.

Kairos International Sicav – ActivESG

Asset class: flexible equity

Base currency: Euro

Investment objective: capital appreciation

Investment policy: the Sub-Fund will establish an asset allocation in securities (equities and bonds, directly or via derivative instruments) of issuers established in Europe.

On an ancillary basis (i.e. less than 10% of its net assets), the portfolio may be invested in international equities and debt obligations of any financial duration which shall be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. The securities need not be rated and may be non-investment grade without constraints in this respect. Sector allocation may significantly vary between periods; corporate securities (including principally equities, bonds and other securities) shall be issued by issuers of any economic sector.

The equity gross exposure may range from a minimum of 70% and a maximum of 200% and the net exposure from a minimum of -30% and a maximum of +100% of the Sub-Fund's assets. The long exposure will be achieved through direct investment in securities and via financial derivatives instruments. The short exposure shall only be achieved through the use of financial derivative instruments.

The derivative instruments used shall include both listed and over-the-counter derivative instruments and may be denominated in Euro or in any foreign currency. Such instruments shall include, but may not be limited to, swaps, CFDs, futures and options on indices or on single stocks. The Sub-Fund will enter into CFDs on single securities, on a continuous basis with the aim of taking long or short positions. The expected level of exposure that could be subject to CFDs amounts to 30% of the Sub-Fund's net assets, subject to a maximum of 70%. The aggregate exposure of derivative instruments may be equal to the Sub-Fund's aggregate assets

and could significantly affect its performance.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

ESG approach: the Sub-Fund has Sustainable Investments as its objective, pursuant to Article 9 of the SFDR. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Equity Risk, Financial Derivative Instruments and Hedging Strategies, Contracts for difference, Long/short Strategy.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to high risk tolerance who can set aside the capital for a period of three to five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: Not applicable.

Use of benchmark: The Sub-Fund shall be actively managed without any reference to a benchmark.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	0.75%	1.75%	1.25%	0.75%	1.70%
Distribution fee	-	0.25%	-	-	-
Performance fee	10%	-	10%	10%	-
Performance fee method	Historical High Watermark			Equalisation	-

See section Fees and Expenses for more complete information.

Kairos International Sicav – European Long/Short

Asset class: flexible equity

Base currency: Euro

Investment objective: capital appreciation

Investment policy: the Sub-Fund will establish an asset allocation in securities of issuers established in Europe by pursuing a directional long/short equity strategy. In particular, the gross exposure to such issuers may range from a minimum of 50% and a maximum of 200% and the net exposure to the same issuers from a minimum of -30% and a maximum of +100% of the Sub-Fund's assets. The long exposure will be achieved through direct investment in securities and via financial derivatives instruments. The short exposure shall only be achieved through the use of financial derivative instruments.

The investment manager will have full discretion over the composition of the portfolio and will generally focus on a selected number of investments in equities and equity related securities that, in the view of the investment manager, may offer favourable medium-term business prospects, granting, at the same time, enough diversification through the professional management of the Sub-Fund's portfolio.

Sector allocation may significantly vary between periods; corporate securities (including principally equities, debt obligations and other securities) shall be issued by issuers of any economic sector.

On an ancillary basis, the portfolio may be invested in debt obligations of any financial duration, which shall be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. The securities need not be rated and may be non-investment grade without constraints in this respect.

The derivative instruments used shall include both listed and over-the-counter derivative instruments and may be denominated in Euro or in any foreign currency. Such instruments shall include, but may not be limited to, Total Return Swaps, CFDs, futures and

options on indices or on single stocks. The Sub-Fund will enter into CFDs/Total Return Swaps on single securities, on a continuous basis with the aim of taking long or short positions. The Sub-Fund may also invest in swaps on indices (including, but not limited to, the STOXX 600 Real Estate (Price) Index and the STOXX 600 Utilities (Price) Index) on a temporary basis for hedging positions based on the risk perception of the investment manager. The expected level of exposure that could be subject to CFDs/Total Return Swaps on single securities amounts to 30% of the Sub-Fund's net assets, subject to a maximum of 60%. The aggregate exposure of derivative instruments may be equal to the Sub-Fund's aggregate assets and could significantly affect its performance.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Equity Risk, Market Volatility, Financial Derivative Instruments and Hedging Strategies, Long/short strategy, Contracts for difference.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to high risk tolerance who can set aside the capital for a period of three to five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: The Sub-Fund is actively managed without any reference to a benchmark.

Fees

	Class C	Class D	Class P	Class X (cap)	Class X-Dist	Class Y
Management fee	1.50%	2.00%	1.50%	1.50%	1.50%	1.70%
Distribution fee	-	0.25%	-	-	-	-
Performance fee	15%	-	15%	20%	20%	-
Performance fee method	Historical High Watermark			Equalisation	Historical HWM	-

See section Fees and Expenses for more complete information.

Kairos International Sicav – Patriot

Asset class: flexible equity

Base currency: Euro

Investment objective: capital appreciation

Investment policy: the Sub-Fund will aim to establish an asset allocation which may range from a minimum of 30% and a maximum of 90% of the Sub-Fund's assets in equities or equity related instruments, mainly issued by issuers established in Italy; up to 60% of the Sub-Fund's assets may not be listed in the FTSE MIB index or in any other equivalent indices.

The remaining part of the portfolio may be invested in debt obligations of any financial duration, which shall be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. The securities need not be rated and may be non-investment grade without constraints in this respect. The Sub-fund may invest in convertible bonds. Up to 10% of the net assets of the Sub-fund may be invested in contingent convertible bonds and or distressed/defaulted instruments. Sector allocation may significantly vary between periods; corporate securities (including principally equities, bonds and other securities) shall be issued by issuers of any economic sector. The Sub-Fund may invest up to 10% of its assets in SPACs.

The derivatives used shall include, but may not be limited to, futures, forwards and options, may be both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency. The Sub-Fund may enter into CFDs on single securities, with the aim of taking long or short positions. The expected level of exposure that could be subject to CFDs amounts to 10% of the Sub-Fund's net assets, subject to a maximum of 20%. The aggregate exposure of derivative instruments may be equal to the

Sub-Fund's aggregate assets and could significantly affect its performance.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

ESG approach: even if the Sub-Fund does not explicitly promote environmental or social characteristics nor has Sustainable Investment as its objective, the Management Company has implemented procedures aimed at monitoring the sustainability risk in a view to assess and limit such risk.

This Sub-Fund does not take into account principal adverse impacts on sustainability factors.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Equity Risk, Market Volatility, Liquidity Risk, Investing in Lower rated or High Yield Bonds or Bonds issued by non-rated issuers, Special Purpose Acquisition Vehicles.

Global exposure: the commitment approach will be used to measure the Sub-Fund's global exposure.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to high risk tolerance who can set aside the capital for a period of three to five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: The Sub-Fund shall be characterised by active and absolute performance oriented management without any reference to a benchmark.

Fees

	Class C	Class D	Class P	Class X	Class Y
Management fee	1.00%	2.25%	1.50%	1.00%	1.90%
Distribution fee	-	0.25%	-	-	-
Performance fee	10%	-	10%	10%	-
Performance fee method		Historical High Watermark			-

See section Fees and Expenses for more complete information.

Kairos International Sicav – KEY

Asset class: flexible equity

Base currency: Euro

Investment objective: capital appreciation

Investment policy: the Sub-Fund shall invest in equity securities issued by companies active in regulated or semi-regulated sectors located internationally but with a European focus, with the aim of producing risk adjusted returns through a long-biased approach focused on stock selection and derivative strategies. The sectors in which such companies operate, shall include, but might not be limited to, utilities, pipelines, toll roads, airports, railways, ports, telecommunications and other infrastructure companies. The Sub-Fund may also invest in companies which operate in sectors with similar features, such as concession business models in which the rights and obligations of the market operators are defined by the authority granting the concession.

On an ancillary basis, the portfolio may be invested in equities issued by companies of other industry sectors and debt obligations of any financial duration issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency. Such securities need not be rated and may be non-investment grade without constraints in this respect.

The equity gross exposure may range from a minimum of 50% and a maximum of 180% and the net exposure from a minimum

of 30% and a maximum of 100% of the Sub-Fund's assets. The long exposure will be achieved through direct investment in securities and via financial derivatives instruments. The short exposure shall only be achieved through the use of financial derivative instruments.

The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency. Such instruments shall include, but may not be limited to, swaps, CFDs, futures and options on indices or on single stocks. The Sub-Fund will enter into CFDs on single securities, on a continuous basis with the aim of taking long or short positions. The expected level of exposure that could be subject to CFDs amounts to 30% of the Sub-Fund's net assets, subject to a maximum of 70%.

The aggregate exposure of derivative instruments may be equal to the Sub-Fund's aggregate assets and could significantly affect its performance.

Investments in other undertakings for collective investment shall not exceed 10% of the net assets of the Sub-Fund.

ESG approach: the Sub-Fund promotes, pursuant to Article 8 of the SFDR, environmental and social characteristics. Shareholders should carefully read the relevant section of Appendix II.

Specific Risks: before investing in the Sub-Fund, Shareholders should carefully read the section "Risk Warnings" of the Prospectus and notably, the paragraphs related to the risks which are specific to the Sub-Fund: Sustainability Risk, Equity Risk, Market Volatility, Investing in sector based Sub-Funds, Long/ short Strategy, Financial Derivatives Instruments and Hedging Strategies, Contracts for difference.

Global exposure: The absolute Value-at-Risk approach will be used to measure the Sub-Fund's global exposure. In addition, the Sub-Fund's level of leverage will be calculated using the sum of notionals of the derivatives in the Sub-Fund's portfolio. The expected level of leverage is 180% (sum of notionals approach) and 110% (commitment approach) of the net asset value of the Sub-Fund, although it is possible that leverage might significantly exceed this level from time to time.

Investment manager: Kairos Partners SGR S.p.A.

Investor profile: investors with a medium to high risk tolerance who can set aside the capital for a period of three to five years and are prepared to meet defined investment objectives, have experience of, or understand, so-called "capital at risk" products and are able to accept significant capital losses (should these occur).

Benchmark: not applicable

Use of benchmark: The Sub-Fund shall be characterised by active and absolute performance oriented management without any reference to a benchmark.

Fees

	Class C	Class D	Class P	Class X (cap)	Classe X -Dist	Class Y
Management fee	1.00%	2.25%	1.50%	1.00%	1.00%	1.70%
Distribution fee	-	0.25%	-	-	-	-
Performance fee	10%	-	10%	20%	20%	-
Performance fee method	Historical High Watermark			Equalisation	Historical HWM	-

See section Fees and Expenses for more complete information.

Appendix II

Pre-Contractual Disclosures According to SFDR

KAIROS International Sicav

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:	Legal entity identifier:
Kairos International SICAV – TARGET 2026	**13800FS8I9QT1P5R434**

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:** ____%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective 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:** ____%	☐ with a social objective
	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

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

The Sub-Fund promotes environmental characteristics including air emission programs and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission programs, GHG Emissions (total scope 1+2 in tCO2eq), GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm) and Carbon Footprint;
  - in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and Lack of Processes and Compliance Mechanisms, which should always be zero.

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

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- small arms, with a 10% revenue threshold;
- controversial weapons;
- predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider, Sustainalytics SARL (part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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

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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company engages directly or collectively the issuer.

  Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:
  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.
  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ No

What investment strategy does this financial product follow?

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

The Sub-Fund will gain exposure to a range of credit related instruments with a financial duration of up to 5 years. In this perspective, up to 100% of the Sub-Fund's assets may be invested in debt securities issued either by governments or by non-government entities mainly established (at least 50%) in Europe. The debt obligations selected shall have a financial duration consistent with the residual life of the Sub-Fund. The residual duration of the securities will vary over time in light of the investment objective and of market developments as the Sub-Fund approaches its expiry date. The duration of the portfolio will be comprised between five and less than one year and will decrease as the expiry date approaches as the securities in the portfolio will expire or will be liquidated by 31 December 2026. More details are provided under Investment Policy section of Appendix I attached hereto.

The Sub-Fund will invest mainly in financial, communication and technology sectors, where financials, mainly banks, substantially contribute to the climate transition. It integrates sustainability factors for at least 90% of the portfolio by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational enterprises.

Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:
- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;
- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the

asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 90% of its assets. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing) as well as a maximum average ESG risk rating of 30 for issuers of corporate bonds and equities assigned to the Sub-Fund as result of the conversion of a bond or a warrants/right assigned to bondholders.

  The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, ie. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that if an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behaviour and 4) by continuously monitoring the above indicators.

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



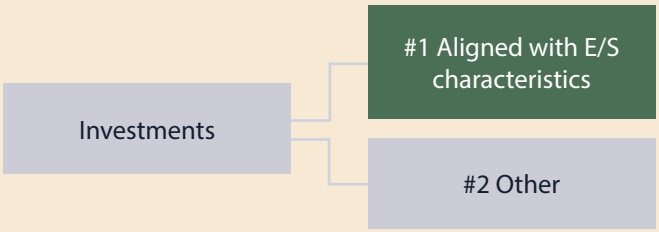
What is the asset allocation planned for this financial product?

A minimum of 90% of the Sub-Fund's net assets will be aligned with the E/S characteristics promoted (#1). The remaining 10% will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

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

0%.

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

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

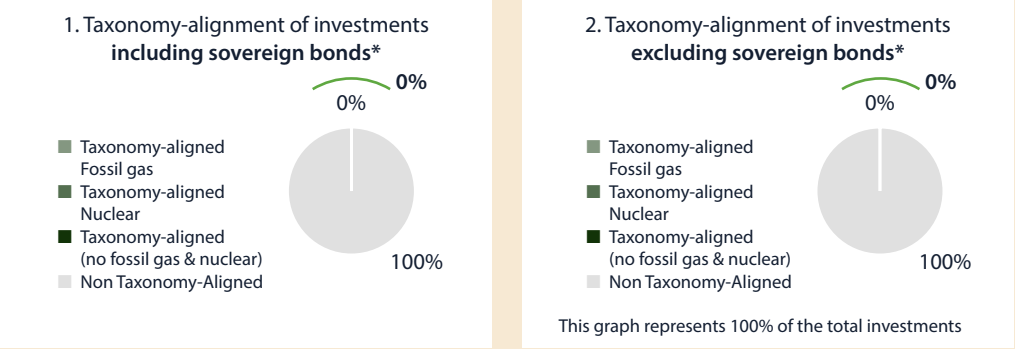
2 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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



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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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

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?

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/11998eur/?lang=en

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

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

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:
Kairos International SICAV – TARGET 2028

Legal entity identifier:
213800R41HS7CQIT6B09

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**

- ☐ It will make a minimum **of sustainable investments with an environmental objective:** ____%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum **of sustainable investments with a social objective:** ____%

●○ ☒ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**



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

The Sub-Fund promotes environmental characteristics including air emission programs and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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?***

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission programs, GHG Emissions (total scope 1+2 in tCO2eq), GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm) and Carbon Footprint;
  - in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and Lack of Processes and Compliance Mechanisms, which should always be zero.

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- small arms, with a 10% revenue threshold;
- controversial weapons;
- predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider, Sustainalytics SARL (part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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

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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company engages directly or collectively the issuer.

  Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:
  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.
  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ No

What investment strategy does this financial product follow?

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

The Sub-Fund will gain exposure to a range of credit related instruments with a financial duration of up to 5 years. In this perspective, up to 100% of the Sub-Fund's assets may be invested in debt securities issued either by governments or by non-government entities mainly established (at least 50%) in Europe. The debt obligations selected shall have a financial duration consistent with the residual life of the Sub-Fund. The residual duration of the securities will vary over time in light of the investment objective and of market developments as the Sub-Fund approaches its expiry date. The duration of the portfolio will be comprised between five and less than one year and will decrease as the expiry date approaches as the securities in the portfolio will expire or will be liquidated by 31 December 2028. More details are provided under the Investment Policy section of Appendix I attached hereto.

The Sub-Fund will invest mainly in financial, communication and technology sectors, where financials, mainly banks, substantially contribute to the climate transition. It integrates sustainability factors for at least 90% of the portfolio by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational enterprises.

Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:
- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;
- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the

asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 90% of its assets. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing) as well as a maximum average ESG risk rating of 30 for issuers of corporate bonds and equities assigned to the Sub-Fund as result of the conversion of a bond or a warrants/right assigned to bondholders.

  The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, ie. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that If an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behaviour and 4) by continuously monitoring the above indicators.

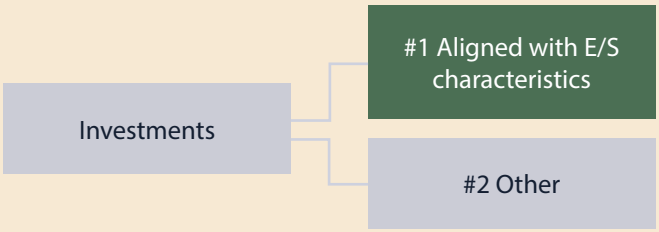
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

A minimum of 90% of the Sub-Fund's net assets will be aligned with the E/S characteristics promoted (#1). The remaining 10% will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.

Asset allocation describes the share of investments in specific assets.



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

Taxonomy-aligned activities are expressed as a share of:

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

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

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[3]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

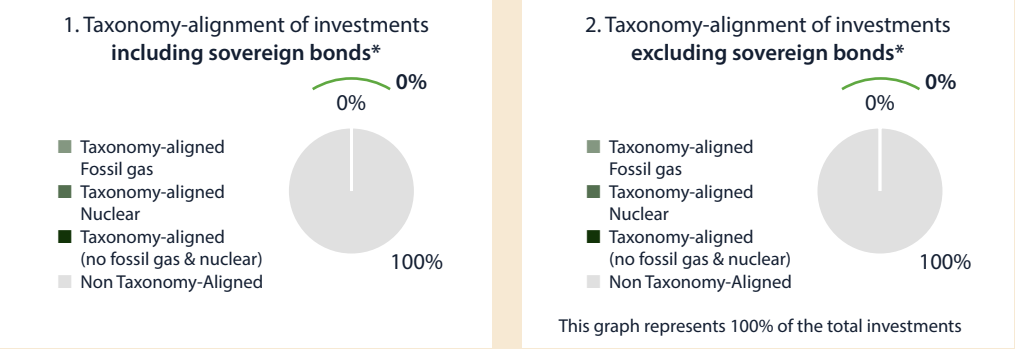
3 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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



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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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

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?

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/12110eur/?lang=en

KAIROS International Sicav

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:	Legal entity identifier:
Kairos International SICAV – BOND PLUS	**49300R8URDA4UZ4T274**

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:** ____%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective 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:** ____%	☐ with a social objective
	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

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

The Sub-Fund promotes environmental characteristics including air emission programs and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission programs, GHG Emissions (total scope 1+2 in tCO2eq), GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm) and Carbon Footprint;
  - in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and Lack of Processes and Compliance Mechanisms, which should always be zero.

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

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- small arms, with a 10% revenue threshold;
- controversial weapons;
- predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider, Sustainalytics SARL (part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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



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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:
  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.
  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ No

What investment strategy does this financial product follow?

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

The Sub-Fund will gain exposure to a range of credit related instruments. In this perspective up to 100% of the Sub-Fund's assets may be invested in debt securities of any financial duration issued either by governments or by non-government entities. More details are provided in the prospectus Appendix I hereto.

The Sub-Fund will integrate sustainability factors for at least 80% of the assets by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational enterprises.
Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:
- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;
- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 80% of its assets. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing) as well as a maximum average ESG risk rating of 30 for issuers of corporate bonds and equities assigned to the Sub-Fund as result of the conversion of a bond or a warrants/right assigned to bondholders.

  The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, ie. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that if an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behaviour and 4) by continuously monitoring the above indicators.

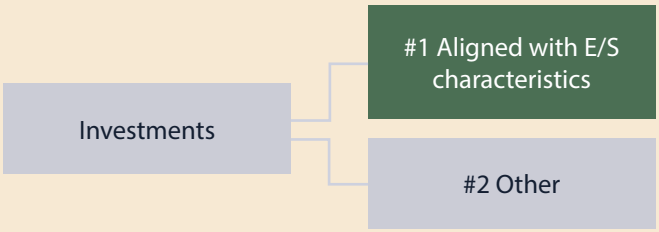
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

A minimum of 80% of the Sub-Fund's net assets will be aligned with the E/S characteristics promoted (#1). The remaining 20% will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed .

Asset allocation describes the share of investments in specific assets.



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

Taxonomy-aligned activities are expressed as a share of:

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

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

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[4]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

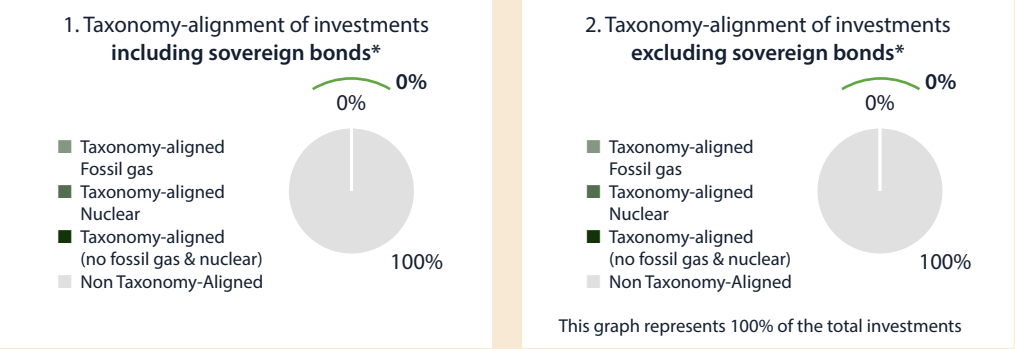
4 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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



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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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

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?

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/2371EUR/?lang=en

KAIROS International Sicav

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

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

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:
Kairos International SICAV – KAIROS INTERNATIONAL SICAV – FINANCIAL INCOME

Legal entity identifier:
222100E7QCG3BTBKDW32

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**

- ☐ It will make a minimum **of sustainable investments with an environmental objective:** ____%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum **of sustainable investments with a social objective:** ____%

●○ ☒ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**



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

The Sub-Fund promotes environmental characteristics including air emission programs, Prevention of predatory lending practices and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

The banking sector plays a key role in providing funding across different economic activities. Over the past few years, many banks have made public commitments to reduce their "financed emissions," meaning the emissions they finance in the real economy, in line with the objectives of the Paris Agreement. This commitment is seen in the number of banks joining the Net-Zero Banking Alliance (NZBA). The Sub-Fund intends to encourage the allocation toward financial institutions who are signatories of the NZBA and follow the embedded Commitment Statement.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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?***

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission programs, GHG Emissions (total scope 1+2 in tCO2eq), GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm) and Carbon Footprint;
  - in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and Lack of Processes and Compliance Mechanisms, which should always be zero.

  Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

  - UN Global Compact;
  - tobacco producers;
  - thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
  - Small arms, with a 10% revenue threshold;
  - controversial weapons;
  - predatory lending;
  - EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

  For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider, Sustainalytics SARL (part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments..

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

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

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

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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint.

Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:
  - o Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

  The investment is considered eligible if the value of the indicators above is zero.

  - o Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ 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 Sub-Fund will have exposure to the financial sector via the investment in debt related instruments. In this perspective up to 100% of the Sub-Fund's assets may be invested in a diversified portfolio of financial securities, namely debt instruments issued by European and non-European financial institutions (including, but not limited to, banks).

The management style shall include an investment analysis based on mix of a top-down view and a bottom-up analysis where an emphasis will be put on sustainability, capital structure relative value (equity versus debt and tiering of bonds by seniority) and regulatory changes as well as on the interpretation of the economic cycle and sector developments.

Debt instruments may include contingent-convertible instruments, hybrid securities, other subordinated debt, convertible securities, asset-backed securities, as well as deposits and senior both secured and unsecured bonds or securities issued by special purpose vehicles (as in the case of securitizations).

The Sub-Fund may invest up to 70% of its assets in contingent convertible bonds and up to 25% in other types of convertible bonds.

The Sub-Fund may invest up to 70% of its assets in debt obligations issued by non-rated issuers or issuers whose rating is non-investment grade. The Sub-Fund will invest at least 50% of its invested portfolio in securities issued by issuers of the financial sector; in addition, debt obligations may be issued by sovereign states, supranational entities, corporate issuers, special purpose vehicles or other legal entities resident in OECD or other countries, without constraints as to the choice of the reference currency.

Up to 10% of the invested portfolio might be invested in equity and equity-related instruments. Such equity exposure may result from the participation in capital raising transactions via the conversion of bonds, warrants or other rights, or from a direct investment aimed at exploiting misalignments in valuation within the capital structure.

The derivatives used shall include both listed and over-the-counter derivatives and may be denominated in Euro or in any foreign currency. Such instruments shall include, but may not be limited to, interest rate derivatives, credit derivatives, credit default swaps, CFDs, futures, forwards and options on indices and/or single names.

More details are provided in the prospectus Appendix I hereto.

The Sub-Fund will integrate sustainability factors for at least 80% of the assets by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational enterprises.

Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:
- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;
- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 80% of its assets. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing) as well as a maximum average ESG risk rating of 30 for issuers of corporate bonds and equities assigned to the Sub-Fund as result of the conversion of a bond or a warrants/right assigned to bondholders.

The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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?***

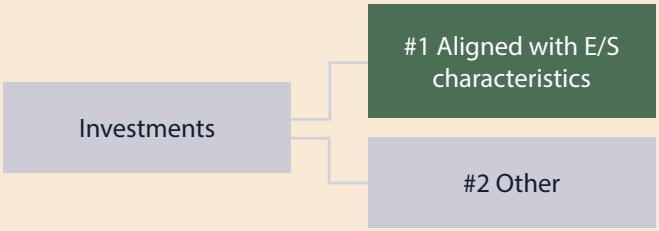
  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, i.e. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that If an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behavior and 4) by continuously monitoring the above indicators.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

A minimum of 80% of the Sub-Fund's net assets will be aligned with the E/S characteristics promoted (#1). The remaining 20% will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

Taxonomy-aligned activities are expressed as a share of:

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

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

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[5]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

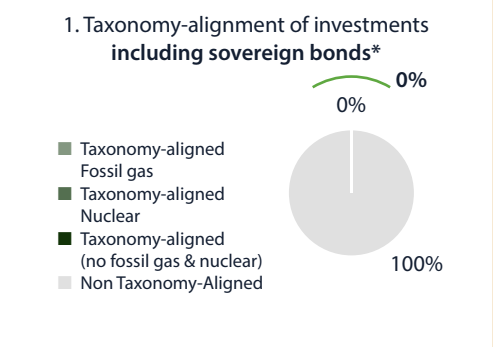
5 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

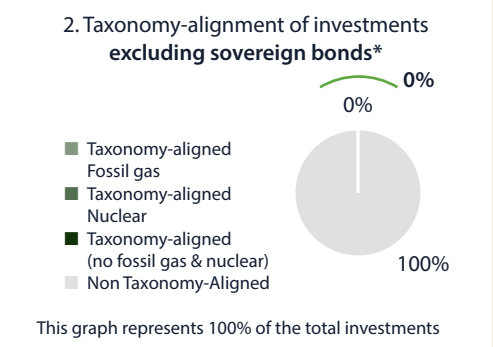
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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





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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in sustainable investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in sustainable investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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?

Not applicable

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

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/9794EUR/?lang=en

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

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

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:
Kairos International SICAV – EUROPEAN LONG ONLY

Legal entity identifier:
549300ZUGCLYBM3JN538

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**

- ☐ It will make a minimum **of sustainable investments with an environmental objective:** ____%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum **of sustainable investments with a social objective:** ____%

●○ ☒ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**



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

The Sub-Fund promotes environmental characteristics including air emission programs and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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?***

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission reduction programs, GHG Emissions (total scope 1+2 in tCO-2eq) GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm), Carbon Footprint, Exposure to companies active in the fossil fuel sector;
  - in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and Lack of Processes and Compliance Mechanisms, which should always be zero.

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- small arms, with a 10% revenue threshold;
- controversial weapons;
- predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider (i.e. Sustainalytics SARL - part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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

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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint, Exposure to companies active in the fossil fuel sector.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:
  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.
  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ No

What investment strategy does this financial product follow?

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

The Sub-Fund shall invest at least 70% of its assets in equities of issuers established in Europe, directly or via listed derivatives. Such derivatives shall include, but may not be limited to, futures and options on indices or on single stocks. The remaining part of the portfolio may be invested in both listed and over-the-counter derivatives, including CFDs/Total return swap on single securities or on indices, whose expected exposure may range from 10% to a maximum of 30% of the Sub-Fund's net assets. Please find more details in in the Investment Policy in the Appendix I attached hereto.

The Sub-Fund will integrate the Sustainability Factors for at least 70% of the portfolio by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises.

Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:
- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;
- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 70% of the long part of the portfolio. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average ESG risk rating of 30 for issuers of equity and corporate bonds and a maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing).

  The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, i.e. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that if an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behavior and 4) by continuously monitoring the above indicators.

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



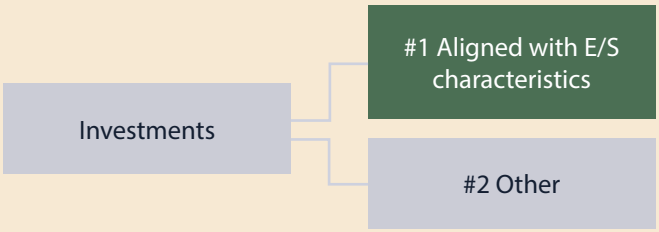
What is the asset allocation planned for this financial product?

A minimum of 70% of the Sub-Fund's long portfolio will be aligned with the E/S characteristics promoted (#1). The remaining part of the portfolio will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

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

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[6]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

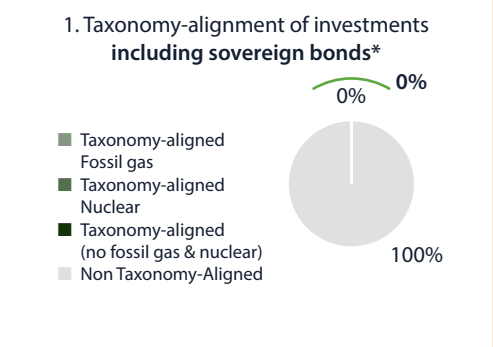
6 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

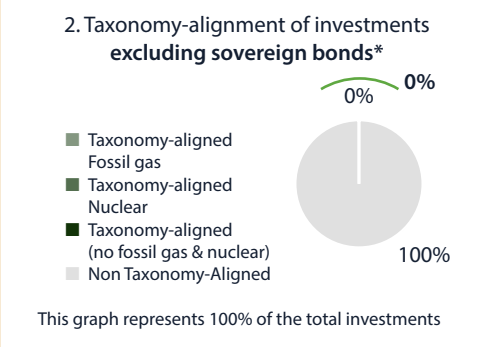
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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





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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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

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?

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/2587eur/?lang=en

KAIROS International Sicav

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:
Kairos International SICAV – INNOVATION TRENDS

Legal entity identifier:
213800MG7BY7TFA3JO65

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:** ____%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective 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:** ____%	☐ with a social objective
	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

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

This Sub-Fund promotes environmental characteristics including air emission reduction programs, biodiversity, water and waste management and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission programs, GHG Emissions (total scope 1+2 in tCO2eq), GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm), Carbon Footprint, Exposure to companies active in the fossil fuel sector, share of non-renewable energy consumption and production, energy consumption intensity per high impact climate sector;
  - concerning biodiversity the share of investments in investee companies with sites/opera-

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

tions located or negatively affecting biodiversity-sensitive areas;
- referring to water and waste management, the Emissions to Water and Hazardous Waste and Radioactive Waste Ratio respectively;
- in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and Lack of Processes and Compliance Mechanisms, which should always be zero.

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- small arms, with a 10% revenue threshold;
- controversial weapons;
- predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider (i.e. Sustainalytics SARL - part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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

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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/ EURm), Carbon footprint, Exposure to companies active in the fossil fuel sector, Share of non-renewable energy consumption and production, Energy consumption intensity per high impact climate sector, Emission to water, Hazardous waste and radioactive waste ratio and Activities negatively affecting biodiversity-sensitive areas.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:

  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.

  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ 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 Sub-Fund shall aim to invest at least 80% of its assets in international equities with the aim of exploiting the long-term economic and social trends, such as disruptive technologies, i.e., technologies that will likely significantly influence consumer and societal behaviour, as well as demographic and climate change. The impact of innovations is not limited to the technological sector, but may find a multi-sector application, including financial, health, industrial, consumer goods and energy sectors, guaranteeing companies an improvement of efficiency and in the consequent supply of products and services.

The Sub-Fund will integrate the Sustainability Factors for at least 90% of the portfolio by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold,

companies not respecting the UN Global Compact Principles or Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational enterprises.

Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:
- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;
- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The investments of the Sub-Fund aim at promoting air emission programs, water, waste and biodiversity management and such sustainability factors are promoted by considering the sectors in which the company operates as well as the indicators listed above.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 90% of its assets. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average ESG risk rating of 30 for issuers of equity and corporate bonds and a maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing).

  The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, i.e.. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that If an investee company has a con-

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

firmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behavior and 4) by continuously monitoring the above indicators.

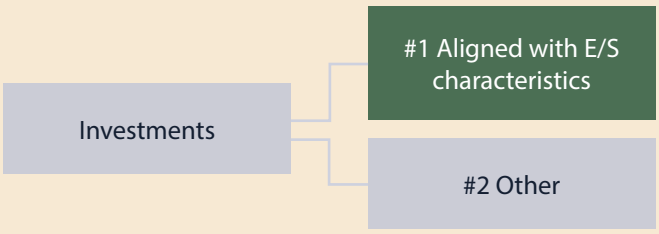
What is the asset allocation planned for this financial product?

A minimum of 90% of the Sub-Fund's net assets will be aligned with the E/S characteristics promoted (#1). The remaining 10% will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy[7]?

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[6]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

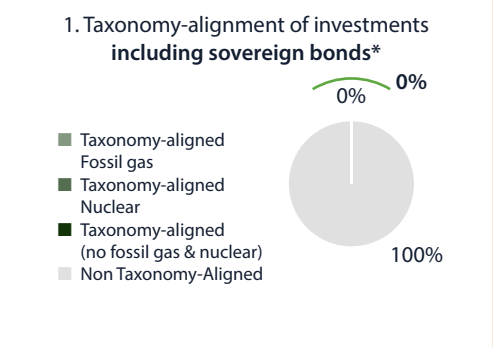
7 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

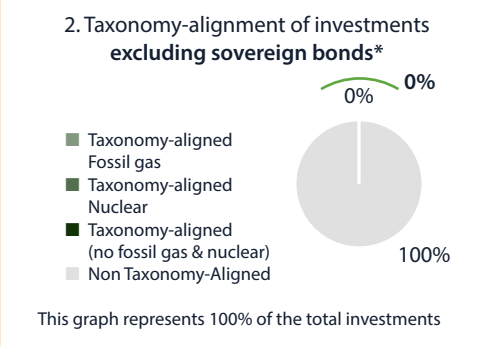
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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





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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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

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?

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/12111eur/?lang=en

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

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

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:	Legal entity identifier:
Kairos International SICAV – Italia	**549300PUPUK8KKM6UF02**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**

- ☐ It will make a minimum **of sustainable investments with an environmental objective:** ____%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum **of sustainable investments with a social objective:** ____%

●○ ☒ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**



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

This Sub-Fund promotes environmental characteristics including air emission reduction programs and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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?***

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission reduction programs, GHG Emissions (total scope 1+2 in tCO-2eq) GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm), Carbon Footprint, Exposure to companies active in the fossil fuel sector;
  - in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and

Lack of Processes and Compliance Mechanisms, which should always be zero;

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- Small arms, with a 10% revenue threshold;
- controversial weapons;
- predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider (i.e. Sustainalytics SARL - part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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

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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint, Exposure to companies active in the fossil fuel sector.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:
  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.
  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ 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 Sub-Fund aims to invest in securities (equities and bonds, directly of via derivative instruments) of issuers established in Italy by pursuing a long/short strategy as described in the Investment Policy in the Appendix I attached hereto.

The Sub-Fund will integrate the Sustainability Factors for at least 60% of the portfolio by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational enterprises.

Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:

- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;

- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The investments of the Sub-Fund aim at promoting air emission programs, water, waste and biodiversity management and such sustainability factors are promoted by considering the sectors in which the company operates as well as the indicators listed above.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 60% of its assets. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average ESG risk rating of 30 for issuers of equity and corporate bonds and a maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing).

  The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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

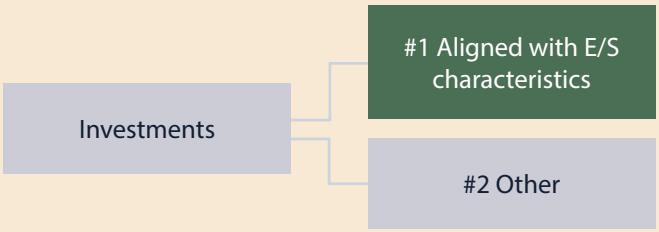
- ***What is the policy to assess good governance practices of the investee companies?***

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, i.e.. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that If an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behavior and 4) by continuously monitoring the above indicators.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

A minimum of 90% of the Sub-Fund's net assets will be aligned with the E/S characteristics promoted (#1). The remaining 10% will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

Taxonomy-aligned activities are expressed as a share of:

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

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

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[8]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

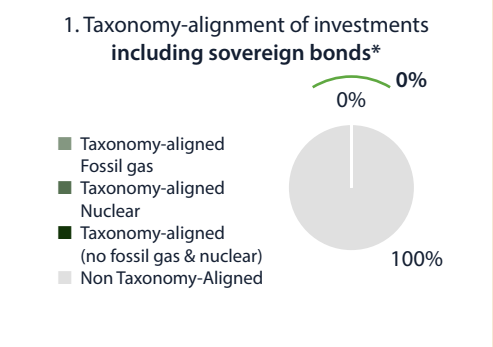
8 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

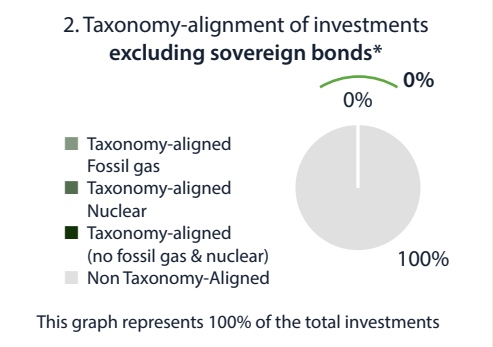
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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





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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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?

Not applicable

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

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/3675EUR/?lang=en

KAIROS International Sicav

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:	Legal entity identifier:
Kairos International SICAV – Made in Italy	**2221009QI4TK3KO20X49**

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:** ____%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective 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:** ____%	☐ with a social objective
	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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



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

This Sub-Fund promotes environmental characteristics including air emission reduction programs and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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?***

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission reduction programs, GHG Emissions (total scope 1+2 in tCO-2eq) GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm), Carbon Footprint, Exposure to companies active in the fossil fuel sector;
  - in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and

Lack of Processes and Compliance Mechanisms, which should always be zero;

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- Small arms, with a 10% revenue threshold;
- controversial weapons;
- predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider (i.e. Sustainalytics SARL - part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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



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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint, Exposure to companies active in the fossil fuel sector.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:
  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.
  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ 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 Sub-Fund shall invest at least 70% of its assets, directly or indirectly, in "Qualified Investments", being financial instruments listed or not listed in a regulated market or in a multilateral trading facility, issued by companies resident in Italy, or resident in other EU or EEA Member States and having a permanent establishment in Italy. as described in the Investment Policy in the Appendix I attached hereto.

The Sub-Fund will integrate the Sustainability Factors for at least 60% of the portfolio by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational enterprises.

Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:

- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;
- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The investments of the Sub-Fund aim at promoting air emission programs, water, waste and biodiversity management and such sustainability factors are promoted by considering the sectors in which the company operates as well as the indicators listed above.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 60% of its assets. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average ESG risk rating of 30 for issuers of equity and corporate bonds and a maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing).

  The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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

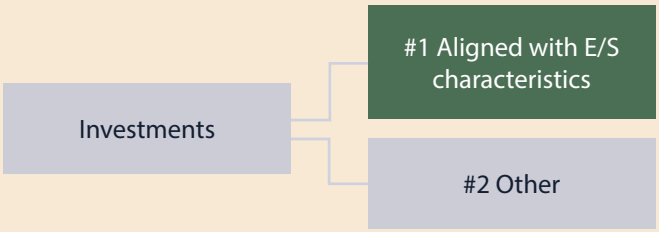
- ***What is the policy to assess good governance practices of the investee companies?***

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, i.e.. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that If an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behavior and 4) by continuously monitoring the above indicators.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

A minimum of 60% of the Sub-Fund's net assets will be aligned with the E/S characteristics promoted (#1). The remaining 10% will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

Taxonomy-aligned activities are expressed as a share of:

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

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

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[9]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

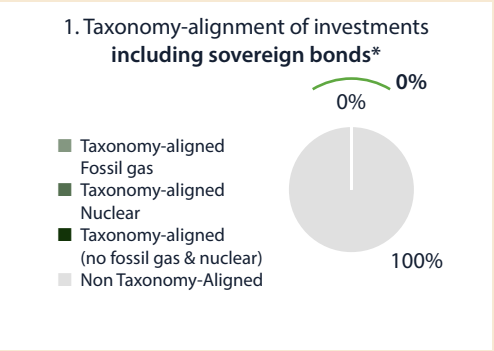
9 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

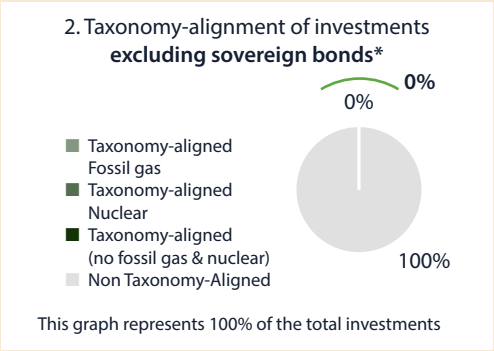
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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





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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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?

Not applicable

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

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/10403EUR/?lang=en

KAIROS International Sicav

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

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

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:
Kairos International SICAV – ActivESG

Legal entity identifier:
2221002WXO87M2YVW461

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☒ **Yes**

- ☒ It will make a minimum **of sustainable investments with an environmental objective: 80%**
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum **of sustainable investments with a social objective:** ____%

●○ ☐ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



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

The Sub-Fund pursues the objective of reducing carbon emission exposure in order to achieve climate change mitigation, consistently with the long term temperature goal of the Paris Agreement. Taking into account the GHG intensity of investee companies (total scope 1+2 in tCO2eq/EURm) in the last 3-5 years as well as their forward-looking emission reduction targets, the portfolio manager will aim to maximise the net reduction of GHG intensity of the overall portfolio.

No adequate EU Climate Transition Benchmark or EU Paris-aligned Benchmark as qualified in accordance with Regulation (EU) 2016/1011 is available due to the long/short strategy adopted by the Sub-Fund; therefore, the Management Company has adopted an internal model to ensure the attainment of the Sustainable Investment objective.

Such internal model complies with art. 12 of Regulation (EU) 2020/1818 because it excludes companies involved in any activities related to controversial weapons, in the cultivation and production of tobacco, companies that, according to Sustainalytics, do not respect the United Nations Global Compact (UNGC) Principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard

coal and lignite, companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels, companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.

Companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100g CO2 e/kWh can be invested in if they have a plan to reduce emissions below such level with a timeframe consistent with the objectives of the Paris Agreement. The Management Company monitors the improvement with a view to engage the issuer in case of deviation from the objective.

In addition, the model ensures that investee companies comply with DNSH under the Taxonomy Regulation.

Finally, the following additional exclusion criteria are applied in the selection of the investment universe for the long portfolio:

- thermal coal, with a 25% revenue threshold from power generation;
- Shale Energy Extraction (threshold>10%);
- Oil Sands Extraction (threshold>10%);
- Arctic Oil & Gas Exploration (threshold>10%);
- Nuclear Power Production (threshold>10%);
- predatory lending;
- small arms, with a 10% revenue threshold;
- companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:
  - EU High Risk Third Countries;
  - FATF high-risk jurisdictions;
  - countries under financial embargo;
  - countries with a severe risk rating.

  Furthermore, companies having a high controversy level are also excluded.

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 the sustainable investment objective of this financial product?***

  The sustainability indicator used to measure the attainment of the sustainable investment objective, monitored and reported at the total portfolio level by netting long and short positions, is the GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm).

  In addition, based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

  - UN Global Compact;
  - tobacco producers;
  - thermal coal, with a 25% revenue threshold from power generation;
  - thermal coal, with 1% revenue threshold mining and exploration;
  - small arms, with a 10% revenue threshold;
  - controversial weapons;
  - predatory lending;
  - EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

  For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider, Sustainalytics SARL (part of Morningstar group), on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

In relation to the sustainable objective of the Sub-Fund, companies are excluded based on the following criteria:

- Oil & Gas Production (threshold>25%)
- Shale Energy Extraction (threshold>10%)
- Oil Sands Extraction (threshold>10%)
- Arctic Oil & Gas Exploration (threshold>10%)
- Nuclear Power Production (threshold>10%).

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

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

The sustainable investments that the Sub-Fund intends to make are considered not to cause significant harm to any environmental or social sustainable investment objective as the Management Company takes into account all PAIs disclosed in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288.

A control, which contributes to verifying that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, is the exclusion of companies with a severe controversy level or countries with a severe risk rating.

The "controversy level" identifies companies involved in incidents that may negatively impact stakeholders, the environment or the company's operations; such level is rated on a scale from 1 to 5 according to the Management Company's ESG data provider, Sustainalytics SARL (part of Morningstar group). A controversy level of 5 is considered severe. The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. Such rating is assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

Compliance with the DNSH principle is being assessed for every investment as a whole that the Sub-Fund will undertake.

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

The Management Company considers the indicators for adverse impacts set out in Table I of Annex I of the Commission Delegated Regulation 2022/1288.

If the PAI are related to environmental risks, compliance with DNSH under the Taxonomy Regulation is verified at the issuer level; in case social risks are involved, the issuer is required to respect the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Additionally, the Management Company, may engage with the issuer to promote the adherence to such principles.

The Management Company leverages the qualitative and quantitative data and research received from Sustainalytics; such information is based on official data integrated with assessments and estimates elaborated on the basis of information gathered from other sources, i.e. documents on companies' web pages, internal research, direct engagement.

Compliance with the DNSH principle is verified at the time of the investment and subsequently monitored. In case of worsening of the indicators or the occurrence of a negative event, again, the Management Company may, considering the interest of the investors, engage directly or collectively the issuer and/or reduce the size of the investment.

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

The Management Company verifies the respect of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights by verifying an indicator, provided by Sustainalytics, that assesses the companies' impact on stakeholders and the extent to which a company causes, contributes or is linked to violations of international norms and standards. Such indicator shows if the issuer respects such Minimum Safeguards. Additionally, the Management Company considers the PAIs "UNGC Principles/OECD Guidelines Violations" and "UNGC/OECD Guidelines Lack of Compliance Mechanism" provide additional details to the Management Company as to what extent the company implements actions to improve such procedures.

Such assessment is also summarized in a synthetic ESG risk indicator which is considered during the securities selection process, by excluding the investment whenever such score is severe (the overall score is severe if at least one of the component factors is severe). The ESG risk rating assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues.

Once the investment is performed, the score is monitored to ensure appropriate actions are taken in case of bad news, including engagement of the company's management and/or reduction of the investment.

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), as well as the Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, the Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, Unadjusted Gender Pay Gap, Board Gender Diversity.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:

  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.

  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ 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 Sub-Fund invests in securities of issuers established in Europe with a long/short equity strategy, as detailed in the dedicated section of this Prospectus with the sustainable investment objective detailed above.

The investable universe for the long part of the portfolio is made of all securities issued by such issuers with the exclusions described above. In addition, consistently with the sustainable investment objective of the Sub-Fund, companies with the worst 5% GHG Intensity (total scope 1+2 in tCO2eq/EURm) are excluded, as well as other companies based on the following criteria:

- Oil & Gas Production (threshold>25%): This includes the oil and gas upstream, midstream and downstream. Petrochemicals and distribution activities are not included. The Oil & Gas industry is controversial because of its high carbon intensity and the impact on climate change. Also, it is very resource intense in terms of land and water resources. Its impacts on ecosystems include spillages, waste management issues, and spontaneous flaring, which can lead to fines and are associated with reputational risks. In certain geographies oil & gas operations are associated with strained relations with local communities and with issues with governance and business practices. Health and safety issues are also important as repetitive accidents can lead to operational disruption or fatalities.
- Shale Energy Extraction (threshold>10%): This includes the extraction of shale gas and/or oil. Shale energy extraction involves environmental risks like water pollution and carbon emissions. Rock fracture, fracking, is needed to make natural gas flow through the shale, which poses environmental concerns due to its potential effects on the watershed. Shale energy is also associated with slightly higher carbon emissions than conventional resources.
- Oil Sands Extraction (threshold>10%): This includes oil sands extraction activities. Oil sands are considered controversial because they are extremely carbon intensive, and dirty – their extraction methods cause air pollution 'in situ', as well as water withdrawal, and contamination from mining.
- Arctic Oil & Gas Exploration (threshold>10%): This includes oil and gas exploration activities in offshore Arctic regions. Exploring for oil and natural gas in the Arctic is controversial in the context of global climate change as well as because of the increased risk of environmental disasters.
- Thermal Coal power generation (threshold >25%): On an energy generation prospective thermal coal is easily substitutable. Thermal coal, also known as energy coal, or steam coal, is mainly used in power generation.
- Thermal Coal mining and exploration (threshold>1%): On a lifecycle basis thermal coal is more carbon intensive than other fossil fuel sources.
- Nuclear Power Production (threshold>10%): This includes the production of energy from nuclear sources. The use of Nuclear Power has advantages in that it has low CO2 emissions, is not a scarce resource, and that some isotopes can be used for medical applications. Significant downsides are the substantial environmental damage and long-term health concerns for living organisms in case of accidents, nuclear waste disposal, and potential usage of waste as input for nuclear weapons.

The internal model adopted by the Management Company assigns an ESG score to each company in the investable universe taking into account their GHG Intensity (total scope 1+2 in tCO2eq/EURm) in absolute value and the trend of such indicator, the PAIs quoted above as well as other ESG indicators, e.g. executive compensation linked to ESG, women in workforce, employee turnover, independent board members, etc.

Companies with the worst 10% ESG scores within each industry sector will not be invested in.

The investable universe for the short part of the portfolio is made of all securities issued by European issuers with a focus on medium and large cap companies.

Companies with the best 10% ESG scores assigned as described above within each industry sector cannot be shorted.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Management Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Taking into account the GHG intensity of investee companies (total scope 1+2 in tCO2eq/EURm) in the last 3-5 years as well as their forward-looking emission reduction targets, the portfolio manager will aim to maximise the net reduction of GHG intensity of the overall portfolio.

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

  The Sub-Fund commits to invest in Sustainable Investments for at least 80% of its assets, for which the respect of DNSH as well as Minimum Safeguards according to the Taxonomy Regulation apply.

  Additional binding elements, as detailed above, include:

  - the exclusion criteria:
    - worst 5% GHG Intensity (total scope 1+2 in tCO2eq/EURm);
    - Oil & Gas Production (threshold>25%);
    - Shale Energy Extraction (threshold>10%);
    - Oil Sands Extraction (threshold>10%);
    - Arctic Oil & Gas Exploration (threshold>10%);
    - Thermal Coal power generation (threshold>25%);
    - Thermal Coal mining and exploration (threshold>1%);
    - Nuclear Power Production (threshold>10%).
  - the risk rating criteria;
  - the controversy level.

  In addition, according to the Management Company's internal model:

  - companies with the worst 10% ESG scores within each industry sector will not be invested in for the long portfolio;
  - companies with the best 10% ESG scores assigned as described above within each industry sector cannot be shorted.

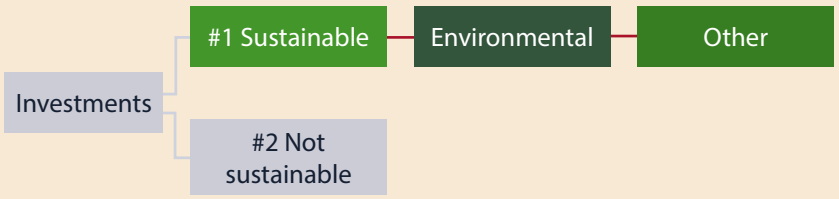
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, i.e. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on Minimum Safeguards, meaning that if an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behavior, and 4) by continuously monitoring the above indicators.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

The Sub-Fund adopts a long/short strategy. Therefore, the minimum of 80% of the Sub-Fund's assets invested in Sustainable Investments (#1) with environmental objective, ie. reduction of GHG intensity of investees companies, is referred to the gross exposure. To assess the portion of Sustainable Investments (#1) a pass/fail approach is being applied. In other words, any investment in a company made by the Sub-Fund that meets all of the binding elements of the investment strategy will be considered as a Sustainable Investment as a whole.

The remaining part of the portfolio will not invest in Sustainable Investments (#2) and mainly consists of futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.

- ***How does the use of derivatives attain the sustainable investment objective?***

  The attainment of the Sub-Fund's sustainable investment objective is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

Taxonomy-aligned activities are expressed as a share of:

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

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

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[9]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

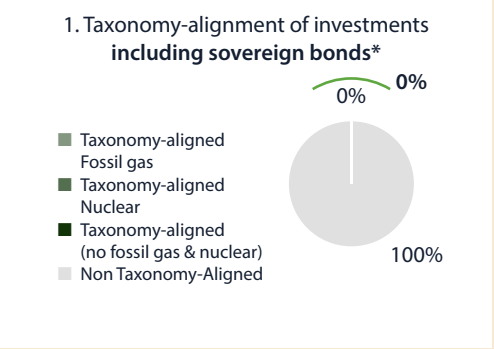
9 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

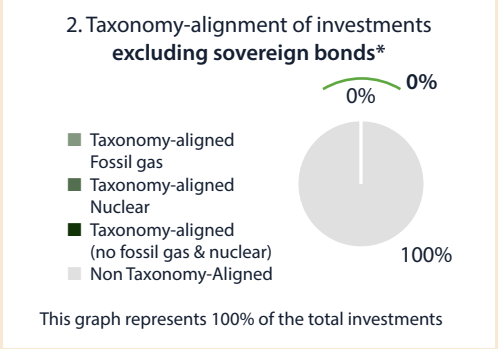
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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





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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

The minimum committed share of Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy is 80% of the Sub-Fund's assets. Indeed, there is still a lack of company-disclosed taxonomy alignment information among investee companies at the moment.

What is the minimum share of socially sustainable investments?

0%

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

The investments under "2 Other" mainly includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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

Not applicable

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

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/11106EUR/?lang=en

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

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

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:
Kairos International SICAV – EUROPEAN LONG/SHORT

Legal entity identifier:
213800J7TM2FVTGCEJ74

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**

- ☐ It will make a minimum **of sustainable investments with an environmental objective:** ____%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum **of sustainable investments with a social objective:** ____%

●○ ☒ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**



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

This Sub-Fund promotes environmental characteristics including air emission reduction programs and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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?***

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission reduction programs, GHG Emissions (total scope 1+2 in tCO-2eq), GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm), Carbon Footprint, Exposure to companies active in the fossil fuel sector;
  - in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and Lack of Processes and Compliance Mechanisms, which should always be zero.

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- small arms, with a 10% revenue threshold;
- controversial weapons
- predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider (i.e. Sustainalytics SARL - part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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

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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint, Exposure to companies active in the fossil fuel sector.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:
  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.
  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ No

What investment strategy does this financial product follow?

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

The Sub-Fund will establish an asset allocation in securities of issuers established in Europe by pursuing a directional long/short equity strategy. In particular, the gross exposure to such issuers may range from a minimum of 50% and a maximum of 200% and the net exposure to the same issuers from a minimum of -30% and a maximum of +100% of the Sub-Fund's assets. The long exposure will be achieved through direct investment in securities and via financial derivatives instruments. The short exposure shall only be achieved through the use of financial derivative instruments. The derivative instruments used shall include both listed and over-the-counter derivatives, including CFDs/Total return swap on single securities or on indices, whose expected exposure may range from 30% to a maximum of 60% of the Sub-Fund's net assets. Please find more details in the Investment Policy in the Appendix I attached hereto.

The Sub-Fund will integrate the Sustainability Factors for at least 70% of the portfolio gross exposure by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational enterprises.

Likewise, companies domiciled or listed in the following countries, as well as securities issued by governments or governmental agencies in the same countries are excluded:
- EU High Risk Third Countries;
- FATF high-risk jurisdictions;
- countries under financial embargo;
- countries with a severe risk rating.

Furthermore, companies having a high controversy level are also excluded.

The strategy is implemented by verifying these eligibility criteria at the time of the investment and subsequently monitoring the respect of such criteria. The Investment Manager verifies the asset eligibility criteria and the Management Company daily monitors the Sub-Fund's exclusions as well as controversies and risk rating criteria. In case, after the investment, the Manage-

ment Company verifies a worsening of the indicators or the occurrence of a negative event, it may, in the interest of investors, engage the issuer and/or reduce the investment.

Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 70% of the portfolio gross exposure. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

  This Sub-Fund will maintain a portfolio maximum average ESG risk rating of 30 for issuers of equity and corporate bonds and a maximum average country risk rating equal to 30 (taking into account the worst rating between the country of issuers' domicile and listing).

  The "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The ESG risk rating instead, assesses the issuer's unmanaged risk by evaluating its ESG exposure and the management of material ESG issues. Both ratings are assessed by the Management Company's ESG data provider on a scale from 0 to 100; a rating higher than 40 is considered severe while 30 is considered average.

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

  Not applicable

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

  Good governance practices are assessed based on a number of indicators, and mainly: 1) by taking into account the investees level of controversies (incidents that may negatively impact stakeholders, the environment or the company's operations), and excluding from the investable universe those companies having a severe controversy level and those domiciled or listed in countries with severe risk rating; 2) by selecting issuers that follow good governance practices, ie. sound management structures, employee relations, remuneration of staff and tax compliance, 3) by carrying out norm-based screening on the respect of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, meaning that if an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behavior and 4) by continuously monitoring the above indicators.

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



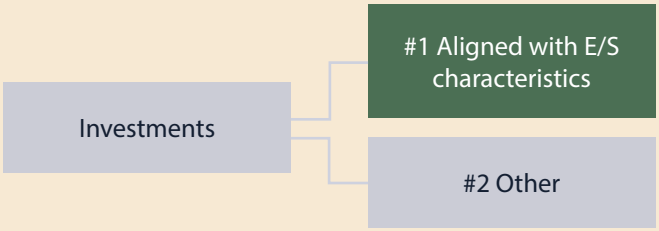
What is the asset allocation planned for this financial product?

A minimum of 70% of the Sub-Fund's portfolio gross exposure will be aligned with the E/S characteristics promoted (#1). The remaining part of the portfolio will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



#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 attainment of the Sub-Fund's E/S characteristics is also pursued by investing in derivatives on single stocks; in such case, their contribution to the objective is measured as if the underlying security was directly held in the portfolio.

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

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[10]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

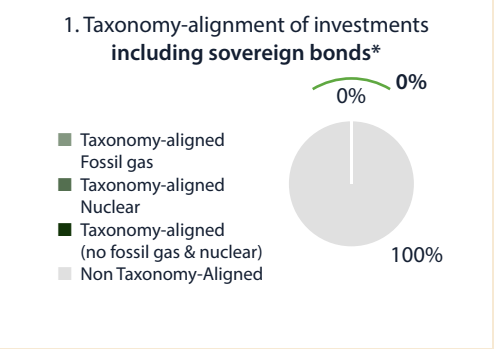
10 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

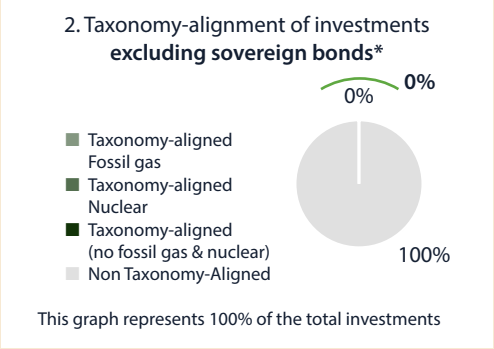
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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





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

As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

  At the date of this Prospectus the Management Company does not commit to performing taxonomy aligned investments, therefore the minimum share of investments in transitional and enabling activities is 0%.

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

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

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

What is the minimum share of socially sustainable investments?

At the date of this prospectus the Sub-Fund does not commit to invest in Sustainable Investments.

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

The investments under "2 Other" include instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases, no minimum environmental and social safeguard can be guaranteed.

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

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?

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/7550EUR/?lang=en

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:	Legal entity identifier:
Kairos International SICAV – KEY	**549300L9SRLM05Q1CH53**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**

- ☐ It will make a minimum **of sustainable investments with an environmental objective:** ____%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum **of sustainable investments with a social objective:** ____%

●○ ☒ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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



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

This Sub-Fund promotes environmental characteristics including air emission reduction programs and it also considers the respect of the UNGC Principles and of the OECD Guidelines for Multinational Enterprises. The Sub-Fund fully supports the use of the Task Force on Climate-related Financial Disclosure reporting framework. We promote the full annual disclosure to CDP and support the Non-Disclosure Campaign promoted by CDP.

No benchmark has been identified for this Sub-Fund to attain such characteristics.

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

  The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Sub-Fund are those listed below. All the indicators are monitored and reported at the total portfolio level:

  - with regard to air emission reduction programs, GHG Emissions (total scope 1+2 in tCO2eq), GHG Intensity of investee companies (total scope 1+2 in tCO2eq/EURm), Carbon Footprint, Exposure to companies active in the fossil fuel sector;

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

- in relation to the respect of UNGC Principles and OECD Guidelines, the Violations and Lack of Processes and Compliance Mechanisms, which should always be zero;

Based on the exclusion list described in the investment strategy below, the Sub-Fund uses the following indicators of product involvement:

- UN Global Compact;
- tobacco producers;
- thermal coal, with a 25% revenue threshold from thermal coal mining and exploration and electricity generation;
- Small arms, with a 10% revenue threshold;
- controversial weapons, predatory lending;
- EU High Risk Third countries, FATF high risk jurisdictions, countries under financial embargo, and countries with a severe risk rating.

For the purposes of this pre-contractual disclosure, the "country risk rating" combines an assessment of the government's current stock of capital, including natural resources, production, human resources and institutional capital with an assessment of a specific country's ability to manage it in a sustainable manner. The rating is assessed by the Management Company's ESG data provider (i.e. Sustainalytics SARL - part of Morningstar group) on a scale from 0 to 100; a risk rating higher than 40 is considered severe.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable. The Sub-Fund does not invest in Sustainable Investments.

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

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

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

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

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

☒ Yes

The Sub-Fund considers the PAI by applying the strategies specified below:.

- The following PAIs are integrated in the investment decision process: GHG Emissions (Total Scope 1 + 2 (tCO2eq), GHG Intensity of Investee Companies (Total Scope 1 + 2 (tCO2eq/EURm), Carbon footprint, Exposure to companies active in the fossil fuel sector.

  Concerning those indicators, in case of worsening or the occurrence of a negative event, the Management Company may engage directly or collectively the issuer. Where the situation does not improve and/or the issuer does not formally commit to improve it over a one-year period, the Management Company, taking into account the best interest of investors, may sell the position.

- Exclusion criteria:

  - Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;

    The investment is considered eligible if the value of the indicators above is zero.

  - Controversial Weapons.

No investment is performed if the company directly engages in and/or generates significant revenues from sectors in the above exclusion list.

The PAI listed above are monitored on a quarterly basis.

Information on PAI will be included in the annual reports of the Fund.

☐ 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 Sub-Fund shall invest in equity securities issued by companies active in regulated or semi-regulated sectors located internationally but with a European focus, with the aim of producing risk adjusted returns through a long-biased approach focused on stock selection and derivative strategies. Please find more details in in the Investment Policy in the Appendix I attached hereto.

The Sub-Fund will integrate the Sustainability Factors for at least 70% of the portfolio gross exposure by applying exclusion and inclusion criteria as described above.

The environmental characteristics are firstly promoted by excluding from the investment universe certain industries or sectors, which may negatively affect the characteristics that the Sub-Fund promotes as well as norm-based screening, as per Kairos Responsible Investment Policy. Such exclusions include but may not be limited to: tobacco producers, thermal coal, with 25% revenue threshold from thermal coal mining and exploration and electricity generation, involvement in controversial weapons and prohibited war material according to Italian national law n.220, 2021 and the Law Decree n.73, 2022, issuers domiciled in countries that do not comply with the Oslo Convention on Cluster Munitions (2008) and with the Ottawa Treaty on Anti-Personnel Mines (1999), predatory lending, small arms with a 10% revenue threshold, companies not respecting the UN Global Compact Principles or Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises.

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Additional norm-based and ethical exclusions may be applied at the Management Company level and are fully disclosed in the Management Company's Responsible Investment policy.

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

  The Sub-Fund will pursue environmental characteristics with at least 70% of the portfolio gross exposure. The attainment is guaranteed by analyzing, selecting and monitoring the assets according to the exclusion criteria, risk rating criteria, controversy level as well as the KPI performance of the characteristics promoted.

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

  Not applicable

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

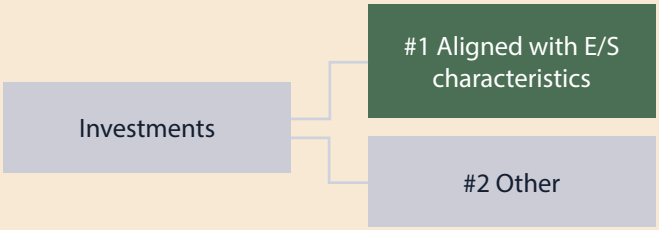
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Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

A minimum of 70% of the Sub-Fund's portfolio gross exposure will be aligned with the E/S characteristics promoted (#1). The remaining part of the portfolio will not incorporate E/S characteristics (#2) and consists of instruments not covered by the ESG rating provider and/or for which no public reliable information is available. This includes futures and options on indices, dealt for hedging purposes, and cash for collateral or liquidity management purposes. In such cases the minimum safeguards on such investments cannot be guaranteed.



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- **turnover** reflecting the share of revenue from green activities of investee companies
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To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[10]?***

  ☐ Yes

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

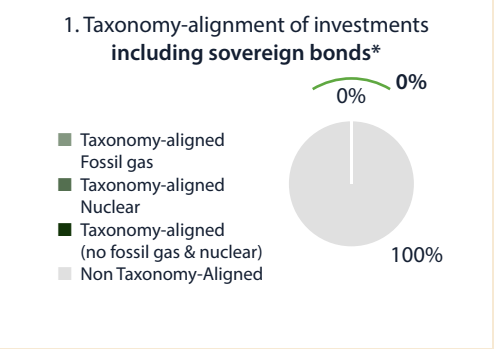
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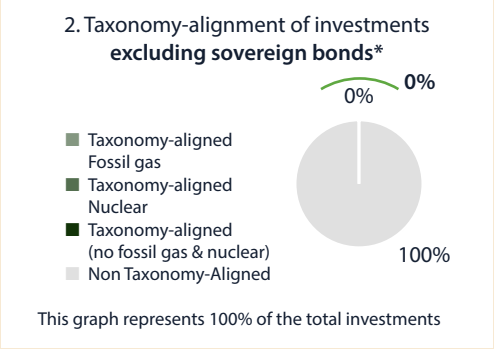
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What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

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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?

Not applicable

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

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.kairospartners.com/prodotti/2719EUR/?lang=en

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