

LEMANIK SICAV
Société d'Investissement à Capital Variable
Registered Office : 106, route d'Arlon
L-8210 Mamer, Luxembourg
R.C.S. Luxembourg B 44.893
(the "Sicav")

25 August 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

Dear Shareholders,

We are pleased to inform you that the directors of the Sicav (the "**Directors**") have decided to introduce a number of changes to the prospectus of the Sicav (the "**Prospectus**"), which will enable them to look after your interests more effectively.

I. Modification in relation to the sub-fund "LEMANIK SICAV – Asian Opportunity"

1. Update related to the performance fee mechanism

In order to be in line with the IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the classes of shares of the sub-fund LEMANIK SICAV - Asian Opportunity will be payable yearly instead of monthly.

Shareholders of the sub-fund LEMANIK SICAV - Asian Opportunity who do not agree with the change mentioned above may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such change will be effective after the expiration of such period.

II. Modification in relation to the sub-fund "LEMANIK SICAV – Italy"

1. Change of the name of the sub-fund

The Directors have decided to replace the name of the sub-fund LEMANIK SICAV – Italy (the "**Italy Sub-Fund**") by LEMANIK SICAV – European Dividend Preservation.

2. Change of the investment policy

The Directors have decided that in the future the investment objective of the Italy Sub-Fund, renamed LEMANIK SICAV – European Dividend Preservation, will be to provide a stable annual return with low volatility.

The Directors have decided that in the future, the Italy Sub-Fund, to be renamed LEMANIK SICAV – European Dividend Preservation, will invest at least 75% of its assets in shares of small, mid and large capitalisation companies having their seat in the European Union (EU) or in a state of the European Economic Area (EEA).

The modification of the investment policy of the Italy Sub-Fund is mainly driven by an enhancement of the range of the sub-funds of the Sicav and aims at taking into consideration the evolvement of the EU

market.

The main impacts of the change of the investment strategy of the Italy Sub-Fund will be the following:

- better liquidity of the underlying assets included in the portfolio;
- opportunity to implement a higher level of liquidity through derivatives structures (*Options*);
- wider investment opportunities to select stocks; and enhanced diversification of the portfolio.

The Prospectus will be amended to reflect the new investment policy and *inter alia* the amendments described above.

3. Update of the risk profile and the profile of the typical investor

In order to be in line with the amendment of the investment policy of the Italy Sub-Fund, to be renamed LEMANIK SICAV – European Dividend Preservation, the Directors have decided to update the risk profile and the profile of the typical investor of the Italy Sub-Fund.

4. Modification of the performance fee mechanism

In order to be in line with the IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the classes of shares of the Italy Sub-Fund to be renamed LEMANIK SICAV – European Dividend Preservation will be payable yearly instead of monthly.

In addition, the performance fee calculation methodology will no longer include a benchmark hurdle rate but will be based on a simple highwatermark mechanism. Highwatermark means that a negative balance in any given year is to be carried forward and no performance fee will be due until all negative balances carried forward have been eliminated.

5. Calculation of the performance fee

Please be informed that any performance fee accrued until the effective date of this investment strategy update will be crystallized and paid to LEMANIK INVEST S.A., the portfolio manager of the Sicav, while the initial *Absolute Highwatermark* will be set after repurpose and rebalancing of the Italy Sub-Fund's portfolio.

Shareholders of the Italy Sub-Fund, which will be renamed LEMANIK SICAV – European Dividend Preservation who do not agree with the changes mentioned above under items 2, 3,4 and/or 5 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such changes will be effective after the expiration of such period.

III. Modification in relation to the sub-fund “LEMANIK SICAV – Selected Bond”

1. Clarification of the investment policy

The Directors have decided to amend the investment policy of the sub-fund LEMANIK SICAV – Selected Bond (the “**Selected Bond Sub-Fund**”) in order to update the investment objective of the Selected Bond Sub-Fund, which will be to achieve income and capital appreciation from debt securities issued by companies from the financial sector.

2. Clarification of the investment policy with respect to investments in contingent convertible bonds

The Directors have also decided to amend the investment policy of the Selected Bond Sub-Fund in order to more adequately reflect the operational reality by complying with the latest CSSF practice in terms of disclosures regarding investments in contingent convertible bonds (“**CoCos**”) and hence clarify that the Selected Bond Sub-Fund may invest up to 50% of its net assets in CoCos.

Shareholders should note that pursuant to the provisions of the investment policy of the Selected Bond

Sub-Fund (as set-out in the visa-stamped Prospectus dated April 2020), CoCos are part of the main asset classes to which the Selected Bond Sub-Fund takes exposure. In this context, the Investment Manager would generally expect investments in CoCos to represent around 40% to 50% of the Selected Bond Sub-Fund's net assets under normal market circumstances.

Shareholders of the Selected Bond Sub-Fund should note that CoCos are highly complex instruments which may be of high risk. They are a form of hybrid debt security with loss-absorption features that are intended to either convert into equity shares of the issuer (potentially at a discounted price) or have their principal written down (including permanently written down to zero) upon the occurrence of certain triggers.

In this context, it is also relevant to outline that there is some uncertainty as to how CoCos may perform in a stressed environment. Depending on how the market views certain triggering events, there is the potential for price contagion and volatility across the entire asset class. Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

In this context, it will also be clarified in the Prospectus that the Selected Bond Sub-Fund is suitable for investors who

- (i) have knowledge of, and investment experience in, financial markets generally and financial products;
- (ii) understand and can evaluate the strategy, characteristics and risks of the Sub-fund in order to make an informed investment decision.

Finally, Shareholders should also note that their investment into this Sub-fund should not be considered as a core holding in their portfolio.

If any of the above clarifications regarding the investment policy of the Selected Bond Sub-Fund does not reflect Shareholders' expectations on the manner the Selected Bond Sub-Fund is being managed, such Shareholders will be entitled to redeem their shares without any charge during a one month period beginning as of the date of this notice, as described below.

3. Decrease of the management fee of the class of shares "Distribution Institutional EUR"

The Directors have decided to decrease the management fee of the class of shares "Distribution Institutional EUR" from 1,20% to 1,00%.

4. Update of the global exposure calculation methodology

As part of the risk management process implemented for the Sicav, global exposure relating to derivative instruments for each fund is monitored. In this context, the commitment, the relative value-at-risk or the absolute value-at-risk approach may be used for each sub-fund.

The global exposure calculation method of the Selected Bond Sub-Fund will change from the commitment approach to the absolute value-at-risk approach. This change will provide greater flexibility for the implementation of the Selected Bond Sub-Fund's investment strategy by allowing in particular an increase in the use of leverage.

As a result, the Directors have decided to amend the Prospectus in order to reflect the above and disclose that the Selected Bond Sub-Fund's expected level of leverage is 100% of the Net Asset Value of the Selected Bond Sub-Fund.

5. Update related to the performance fee mechanism

In order to be in line with the IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the classes of shares of the Selected Bond Sub-Fund will be payable yearly instead of monthly.

Shareholders of the Selected Bond Sub-Fund who do not agree with the changes mentioned above under items 2, 5 and/or 6 may request the redemption of their shares, without any

charges, during a one month period beginning as of the date of this notice. The changes mentioned above under items 5 and 6 will be effective after the expiration of such period.

IV. Modification in relation to the sub-fund “LEMANIK SICAV – Active Short Term Credit”

1. Conversion of the class of shares “Distribution Institutional EUR”

The Directors have decided to convert the distribution class of shares “Distribution Institutional EUR” into a capitalization class of shares denominated “Capitalisation Institutional EUR K”.

2. Update related to the performance fee mechanism (*the shareholders of the class of shares “Capitalisation Institutional EUR D” are not concerned by this change*)

In order to be in line with the IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the relevant classes of shares of the sub-fund LEMANIK SICAV – Active Short Term Credit will be payable yearly instead of monthly.

Shareholders of the sub-fund Lemanik SICAV – Active Short Term Credit (*except shareholders of the class of shares “Capitalisation Institutional EUR D”*) who do not agree with the change mentioned above under item 1 (where applicable) and/or item 2 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such changes will be effective after the expiration of such period.

V. Modification in relation to the sub-fund “LEMANIK SICAV – European Special Situations”

1. Clarification of the investment policy

The Directors have decided to clarify the investment policy of the sub-fund LEMANIK SICAV – European Special Situations (the “**European Special Situations Sub-Fund**”) by adding a precision in the process of selection of the securities in which it will invest.

In this context, it will be expressly stated that securities forming part of the portfolio of the European Special Situations Sub-Fund are selected with the so called high conviction philosophy:

- a concentrated, unconstrained strategy investing exclusively in attractive European issuers;
- investment process fully based on bottom up fundamental research and long-term value creation.

The high conviction philosophy used by the Investment Manager when selecting securities for the European Special Situations Sub-Fund is based on the Investment Manager’s assessment of securities providing for an important upside regarding a) valuation theme; b) business model; c) growth and cash flow expectations and d) re-rating of multiples, without reference to specific sectors.

2. Conversion of a class of shares

The Directors have decided to convert the class of shares “Distribution Retail EUR” to “Distribution Institutional EUR”.

3. Update related to the performance fee mechanism

In order to be in line with the IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the classes of shares of the European Special Situations Sub-Fund will be payable yearly instead of monthly.

In addition, the benchmark index used for the performance fee calculation will change from a

composite benchmark comprised of EuroStoxx 50 (30%), FTSE MIB Italy (20%) and J.P. Morgan Cash Index Euro Currency 3 Month (50%) to the MSCI Europe Index. In addition, the benchmark MSCI Europe Index will be referenced as an outperformance target for the European Special Situations Sub-Fund.

Shareholders of the European Special Situations Sub-Fund who do not agree with the change mentioned above under items 1 and/or 3 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. The change mentioned above under item 3 will be effective after the expiration of such period.

VI. Modification in relation to the sub-fund “LEMANIK SICAV – Spring”

1. Change of the investment policy

The Directors have decided that in the future, the sub-fund Lemanik SICAV – Spring (the “**Spring Sub-Fund**”) will invest in income debt securities, money market instruments or assimilated instruments, denominated in international currencies. Investments in income debt securities, money market instruments or assimilated instruments shall be made mainly with maturity less than 36 months without limitation in duration and rating, as for example in variable or fixed rate bonds or Euro-bonds, convertible bonds, cum warrant bonds, certificates of deposit, Treasury bonds, zero coupons, strips. The investments shall be made without any geographical or economic restriction.

Please note that this update of the investment policy of the Spring Sub-Fund will mainly impact the use of derivative instruments which will cover the credit exposure. A very marginal part of the investments will be speculative, *i.e.* by selling credit protection.

The Prospectus will be amended to reflect the new investment policy described above.

2. Use of total return swaps and credit default swaps

The Directors have decided that in the future, the Spring Sub-Fund will be able to use total return swaps. Under normal circumstances, it will be generally expected that the principal amount of total return swaps will not exceed 50% of the net asset value of the Spring Sub-Fund.

Besides, the Directors have decided that in the future, the Spring Sub-Fund will be able to use credit default swaps, either to buy credit protection without holding the underlying assets or selling credit protection in order to acquire specific credit exposures.

In order to provide for additional information on the risks of credit default swaps, a specific risk factor will be included in section XVI entitled “Special Considerations on risks” of the general part of the Prospectus.

3. Update of the risk profile and the profile of the typical investor

In order to be in line with the amendment of the investment policy described above, the Directors have decided to update the risk profile and the profile of the typical investor of the Spring Sub-Fund.

Shareholders of the Spring Sub-Fund who do not agree with the change mentioned above under items 1, 2 and/or 3 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such changes will be effective after the expiration of such period.

VII. Modification in relation to the sub-fund “LEMANIK SICAV – Global Bond”

1. Change of the name of the sub-fund

The Directors have decided to replace the name of the sub-fund LEMANIK SICAV – Global Bond (the

“Global Bond Sub-Fund”) by LEMANIK SICAV – European Flexible Bond.

2. Clarification of the investment policy

The Directors have decided to amend the investment policy of the Global Bond Sub-Fund, to be renamed LEMANIK SICAV – European Flexible Bond, in order to more adequately reflect the operational reality by complying with the latest CSSF practice in terms of disclosures regarding investments in CoCos and hence clarify that the Global Bond Sub-Fund, to be renamed LEMANIK SICAV – European Flexible Bond, may invest up to 20% of its net assets in CoCos.

As part of this clarification of the investment policy, the Prospectus will be amended to expressly state that the Global Bond Sub-Fund’s investment policy will be focussed on European issuers.

3. Changes related to the class of shares “Capitalisation Institutional EUR”

The Directors have decided to rename the existing class of shares “Capitalisation Institutional EUR” by “Capitalisation Institutional EUR K”.

Besides, the Directors have decided that performance fees will no longer be paid to the Investment Manager in relation to the class of shares “Capitalisation Institutional EUR”, to be renamed “Capitalisation Institutional EUR K”.

4. Update related to the performance fee mechanism (*the shareholders of the class of shares “Capitalisation Institutional EUR” are not concerned by this change*)

In order to be in line with IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the relevant classes of shares of the Global Bond Sub-Fund will be payable yearly instead of monthly

Shareholders of the Global Bond Sub-Fund (*except for the shareholders of the class of shares “Capitalisation Institutional EUR”*) who do not agree with the change mentioned above under item 5 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such change will be effective after the expiration of such period.

VIII. Modification in relation to the sub-fund “LEMANIK SICAV – High Growth”

1. Update related to the performance fee mechanism

In order to be in line with IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the classes of shares of the sub-fund LEMANIK SICAV – High Growth will be payable yearly instead of monthly.

In addition, the Directors have decided to change the benchmark used for the performance fee calculation from FSTE MIB Net Total Return Index to MSCI Italy Gross Return Index, which is also referred to as an outperformance target for the sub-fund.

Shareholders of the sub-fund LEMANIK SICAV – High Growth who do not agree with the change mentioned above under item 1 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such change will be effective after the expiration of such period.

IX. Modification in relation to the sub-fund “LEMANIK SICAV – Global Equity Opportunities”

1. Change of name of the class of shares “Capitalisation Institutional EUR”

The Directors have decided to rename the class of shares “Capitalisation Institutional EUR” by “Capitalisation Institutional EUR K”.

2. Update related to the performance fee mechanism (*the shareholders of the class of shares “Capitalisation Institutional EUR” are not concerned by this change*)

In order to be in line with the IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the relevant classes of shares of the sub-fund LEMANIK SICAV – Global Equity Opportunities will be payable yearly instead of monthly.

Shareholders of the sub-fund LEMANIK SICAV – Global Equity Opportunities (except for the shareholders of the class of shares “Capitalisation Institutional EUR”) who do not agree with the change mentioned above under item 2 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such change will be effective after the expiration of such period.

X. Modification in relation to the sub-fund “LEMANIK SICAV – Flex Quantitative HR6”

1. Increase of the Subscription Fee

The Directors have decided to increase the level of subscription fee of all the classes of shares of the sub-fund LEMANIK SICAV – Flex Quantitative HR6 (the “**Flex Quantitative HR6 Sub-Fund**”) by reflecting that the subscription fee will be of maximum 3% of the applicable net asset value.

2. Update related to the performance fee mechanism

In order to be in line with the IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the classes of shares of the Flex Quantitative HR6 Sub-Fund will be payable yearly instead of monthly.

Shareholders of the Flex Quantitative HR6 Sub-Fund who do not agree with the change mentioned above under items 1 and/or 2 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such changes will be effective after the expiration of such period.

XI. Modification in relation to the sub-fund “LEMANIK SICAV – Global Strategy Fund”

1. Change of the investment policy

The Directors have decided to amend the investment policy of the sub-fund LEMANIK SICAV – Global Strategy Fund (the “**Global Strategy Fund Sub-Fund**”) in order to more adequately reflect the operational reality by complying with the latest CSSF practice in terms of disclosures regarding exposure to commodities and hence indicate that the Global Strategy Sub-Fund may take exposure to commodities, using in particular eligible transferable securities which do not embed a derivative and/or derivative instruments on eligible diversified commodity indices and other eligible underlying assets, in each case in compliance with applicable risk diversification requirements.

In order to provide for additional information on the risks of investments related to commodities, a specific risk factor will be included in section XVI entitled “Special Considerations on risks” of the general part of the Prospectus.

Finally, the leverage (the sum of notional) it is foreseen that the Global Strategy Fund Sub-Fund could

reach maximum 20% in addition, due to the use of the commodities related. There will be no impact on the risk profile of the Global Strategy Fund Sub-Fund.

2. Update related to the performance fee mechanism

In order to be in line with the IOSCO final report dated August 2016 on the good practice for fees and expenses of collective investment scheme, the Directors have decided that the performance fee of the classes of shares of the Global Strategy Fund Sub-Fund will be payable yearly instead of monthly. In addition and for consistency purposes the benchmark used as hurdle rate has been changed from EURIBOR to EONIA (the benchmark currently used for outperformance purposes).

3. Implementation of a hedging policy in relation to the CHF classes of shares

The Directors have decided that in order to protect the CHF classes of shares from the currency risk against EUR, a hedging policy will be implemented in relation to Class I Institutional – CHF Shares, Class I Institutional CHF Shares B and Class R Retail – CHF Shares. The hedging policy against EUR is based on a periodic roll-over of forward agreements EUR-CHF.

Shareholders of the Global Strategy Fund Sub-Fund who do not agree with the change mentioned above under items 1, 2 and/or 3 may request the redemption of their shares, without any charges, during a one month period beginning as of the date of this notice. Such changes will be effective after the expiration of such period.

XII. Modification in relation to all the sub-funds of the Sicav

1. Change in the composition of the Board of Directors

Following the resignation of Mr. Eric Chinchon (effective as of 18 May 2020), Mr. Paul Heiser has been coopted by the Board of Directors. The Prospectus will be amended to reflect such change in the composition of the Board of Directors.

The appointment of Mr. Paul Heiser as Director of the Sicav will be presented for approval to the next annual general meeting of the Shareholders of the Sicav, which should be held in October 2020.

2. Change of the name of the investment manager of the Sicav

The name of the investment manager of the Sicav has been modified from “LEMANIK S.A.” to “LEMANIK INVEST S.A.”.

The updated Prospectus dated 25 September 2020 and the KIIDs, taking into account the update mentioned in this letter, will be available at the registered office of the Sicav.

Yours faithfully,
The Board of Directors
LEMANIK SICAV